Airtasker Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Airtasker Limited
ABN:	53 149 850 457
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	40.4%	to	44,171
Loss from ordinary activities after tax attributable to the owners of Airtasker Limited	down	36.7%	to	(12,902)
Loss for the year attributable to the owners of Airtasker Limited	down	36.7%	to	(12,902)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax and non-controlling interest amounted to $12,902,000 (30 June 2022: $20,391,000).

	Consolidated 2023 $'000	Consolidated 2022 $'000
Income tax expense	-	(152)

Refer to the 'Operating and financial review' within the Directors' report for further commentary on the performance of the Group.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.82	3.31

Calculated as:

	Consolidated 2023 $'000	Consolidated 2022 $'000
Net assets	29,105	36,967
Less: Right-of-use assets	(2,415)	(923)
Less: Intangibles	(22,126)	(23,058)
Add: Lease liabilities	3,646	1,597
Net tangible assets	8,210	14,583
Total shares issued	450,469,992	440,279,432

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report
Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any)
The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any)
The Directors' report and financial statements of Airtasker Limited for the year ended 30 June 2023 are attached.

12. Signed

Approved for release by the Board of Directors

Signed ______________________________ Date: 30 August 2023

Cass O'Connor
Chairperson

Airtasker Limited

ABN 53 149 850 457

Directors' report and financial statements - 30 June 2023

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as 'Airtasker' or the 'Group') consisting of Airtasker Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023 ('FY23').

Directors

The following persons were directors of Airtasker Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Catherine (Cass) O'Connor - Independent Non-Executive Chairperson (appointed 1 July 2023)
James Spenceley - Independent Non-Executive Chairperson (resigned 30 June 2023)
Timothy (Tim) Fung - Managing Director and Chief Executive Officer
Ellen (Ellie) Comerford - Independent Non-Executive Director
Peter (Pete) Hammond - Non-Executive Director
Xiaofan (Fred) Bai - Non-Executive Director

Company secretary

Mark Simpson (resigned 28 June 2023)
Mahendra Tharmarajah (appointed 28 June 2023)

Principal activity

The principal activity of the Group is the provision of technology-enabled online marketplaces for local services, connecting people and businesses who need work done with people and businesses who want to work.

Operating and financial review

Overview of the Group

Airtasker is Australia's leading online marketplace platform for local services, connecting people who need work done with people who want to work. Since launching in 2012, Airtasker has served more than 1.3 million unique paying customers ('UPC') and has put more than $500 million into the pockets of taskers in the community (net of Airtasker's fees).

The mission of Airtasker is to empower people to realise the full value of their skills. The core purpose of the Group is to enable flexible jobs and income opportunities by becoming the world's most trusted place to buy and sell local services. More than 7.1% of Australians use a digital platform to find work and more than 34.8% of those people have chosen to work through the Airtasker marketplaces, placing the Group at the forefront of the flexible working movement.[1]

The Group has two main areas of strategic and operational focus. In Australia, it is scaling and realising value in its established home marketplaces through the Airtasker and Oneflare platforms. In international markets, it is investing in establishing and growing new marketplaces in the United Kingdom ('UK') and the United States of America ('US') through the Airtasker platform.

Airtasker acquired the Oneflare business, one of Australia's largest local services marketplace platforms, on 25 May 2022. During FY23, the integration of Oneflare has proceeded to plan with the business contributing a full year of revenue while also achieving operational, technical and financial synergies through integration into the pre-existing Airtasker operational and support functions. The Oneflare business has provided Airtasker with significant intellectual property on accessing the high value professional trades segment, which has an estimated Australian total addressable market ('TAM') of $110.3 billion.[2]

1. Frost & Sullivan, *2021*

2. Management estimates based on publicly available information.

On 27 April 2023, the Group announced a program to reduce costs and focus on efficient global scaling of the core Airtasker marketplaces. As a result of these changes the Group is targeting to be free cashflow positive for the financial year ending 30 June 2024 ('FY24'). The program of efficient growth included:

- Reducing global headcount by 20%, resulting in approximately 45 roles being made redundant, primarily in non-revenue generating functions;
- Exiting non-core businesses acquired as part of Oneflare's portfolio of businesses, including Renovate Forum, Word of Mouth and Urban You. These changes will reduce recurring revenue in FY24 by up to $1.0 million while also having a positive impact on operating expenses and cashflow;
- Continuing to focus on efficient global scaling of the core Airtasker marketplaces and the Oneflare marketplace in Australia.

On 7 June 2023, Airtasker UK Limited ('Airtasker UK') and the Company entered into a series of agreements with 4 Ventures Limited and Channel Four Television Corporation (collectively, 'Channel 4') whereby the Group would receive $6.7 million (£3.5 million) of media advertising services in exchange for a 20% interest in the Company's subsidiary, Airtasker UK. The investment will enable the Group to accelerate its UK marketplace growth by building brand awareness, growing users and building network effects through access to the UK's biggest free streaming service (with over 1.2 billion views per year) and Channel 4's monthly reach of more than 47 million people (78% of the UK population)[3].

The agreement incorporates the Company repurchasing the 20% stake at the end of financial year 2028 ('FY28') for scrip or cash (at the Company's option) - valuation based on Airtasker UK's FY28 revenue and the Group's revenue multiple. This repurchase agreement aligns Channel 4 with Airtasker's UK growth and the Group's global expansion plans and mitigates risk of excessive shareholder dilution.

Operating and financial performance for the year

Statutory results

The Group achieved strong growth in FY23, with statutory revenue growing 40.4% to $44.2 million versus $31.5 million for the year ended 30 June 2022 ('FY22'). This result reflected organic growth in the Airtasker marketplace in Australia and a full year revenue contribution from the Oneflare marketplace. The result also reflected steady international growth in new marketplaces, principally in the UK and the US. The Group's gross profit grew 42.6% in line with revenue growth and the lower direct costs associated with the Oneflare business.

The FY23 net loss before tax decreased 37.1% to $12.9 million (FY22: loss of $20.5 million) with the net loss after tax ('NPAT') at $12.9 million (FY22: loss of $20.4 million). Net cash outflows for FY23 were $7.7 million (FY22: $10.1 million), a decrease of 23.9%.

Consolidated	2023	2022	Change	
	$'000	$'000	$'000	%
Revenue	44,171	31,469	12,702	40.4%
Gross profit	41,756	29,278	12,478	42.6%
Loss before tax	(12,918)	(20,543)	7,625	(37.1%)
Net loss after tax	(12,918)	(20,391)	7,473	(36.6%)
Net cash outflow	(7,710)	(10,132)	2,422	(23.9%)

Earnings before interest and taxation ('EBIT'), earnings before interest, taxation, depreciation and amortisation ('EBITDA') are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represent the statutory NPAT under AAS adjusted for specific non-cash and other items. The directors consider that EBIT, EBITDA reflect the core earnings of the Group and assist in understanding the financial performance of the Group.

The FY23 EBIT loss decreased 37.7% to $12.8 million (FY22: loss of $20.6 million) while the EBITDA loss decreased 53.1% to $8.0 million (FY22: loss of $17.1 million).

3. *https://www.channel4.com/corporate/about-4/who-we-are/channels-and-platforms*

Reconciliation of statutory NPAT to EBIT and EBITDA
EBIT and EBITDA have been calculated by eliminating the following from statutory NPAT:
- net interest income and finance costs;
- income tax benefit; and
- depreciation and amortisation expense.

Consolidated	2023 $'000	2022 $'000	Change $'000	Change %
Statutory NPAT	(12,918)	(20,391)	7,473	(36.6%)
Net interest income and finance costs	82	(60)	142	(236.7%)
Income tax benefit	-	(152)	152	(100.0%)
EBIT	(12,836)	(20,603)	7,767	(37.7%)
Depreciation and amortisation expense	4,827	3,525	1,302	36.9%
EBITDA	(8,009)	(17,078)	9,069	(53.1%)

Summary of FY23 operating and financial performance
Airtasker's business performed well in FY23 through the core Airtasker marketplaces in Australia and internationally, as well as the Australian Oneflare marketplace acquired in FY22. In Australia, the COVID-19 related restrictions that impacted business performance in FY22 had largely subsided, however, were replaced by challenging macro-economic conditions that impacted consumer sentiment and marketplace demand.

In Australia macro-economic influences associated with an inflationary environment and tightening monetary policy gathered momentum during the financial year. Consequently, supply (tasker offers) recovered and accelerated at a faster rate through the financial year than customer demand (posted tasks), which softened over the financial year. The Airtasker business model demonstrated resilience and adaptability with the demand and supply metrics finding a natural market equilibrium. As such, the marketplace saw a trend towards higher task assignment rates, higher task completion rates and hence lower task cancellation rates, resulting in an improved customer experience.

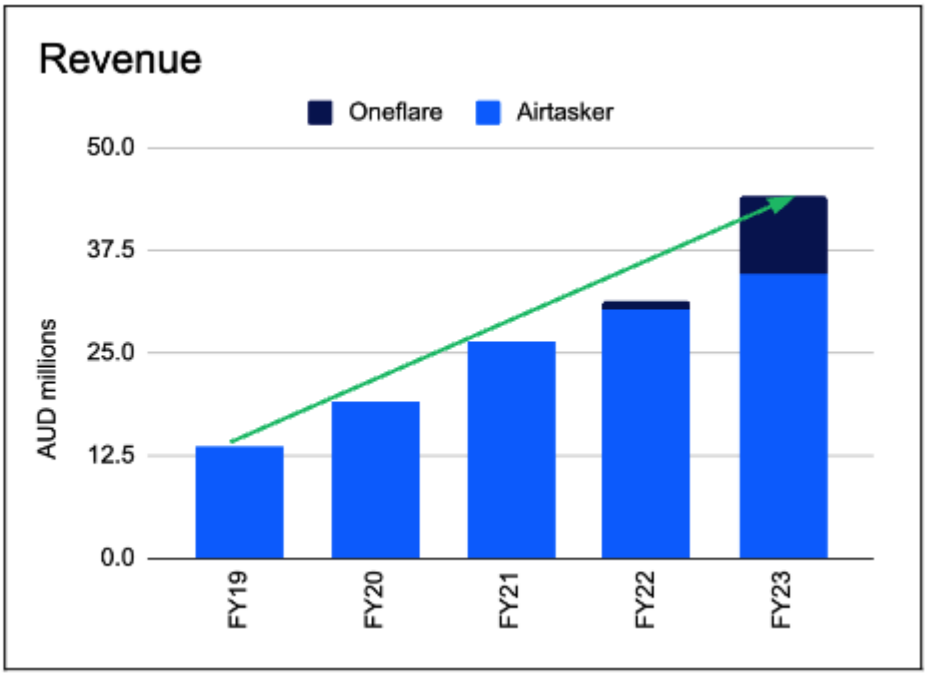
Group marketplace activity is represented by gross marketplace volume ('GMV'), which grew 33.7% to $253.5 million[4] (FY22: $189.6 million). In FY22, in particular the first quarter, the business was significantly impacted by COVID-19 related restrictions and lockdowns in Australia which limited taskers' ability to complete tasks onsite.

Revenue grew 40.4% to $44.2 million (FY22: $31.5 million) reflecting organic growth in the Airtasker marketplace in Australia and the full year revenue contribution from the Oneflare marketplace. The result also reflected steady international growth in new marketplaces of $0.9 million. The take rate[5] of 17.6% for FY23 was up above the FY22 take rate of 16.6%, due to an increase in the volume of closed tasks as a result of increased reliability on the platform, combined with the ongoing optimisation of Airtasker's fee structure.

In the Airtasker marketplaces, UPC for FY23 was up 2.2% to 438,000 (FY22: 428,000). Meanwhile, full year average task prices increased 5.7% against FY22 from $237 to $250 due to a combination of underlying inflationary pressure and an increase in high value task volumes.

4. Represents the total price of all tasks booked through the Airtasker marketplaces before cancellations and inclusive of price adjustments between customers and taskers, bonuses paid by customers to taskers, fees payable by customers and taskers to Airtasker, and any applicable sales taxes plus Oneflare marketplace GMV estimated by dividing total Oneflare marketplace revenue by the budgeted Airtasker marketplaces take rate.

5. Represents Airtasker's revenue in a given financial period, expressed as a percentage of GMV in the same period within the Airtasker marketplaces.



Established Marketplaces
The Established Marketplaces in Australia, comprising Airtasker and Oneflare, generated revenue of $43.2 million (FY22: $31.0 million), up 39.7%.

The Australian Airtasker marketplace generated revenue of $33.7 million up 13.0% on FY22 while the Oneflare marketplace contributed revenue of $9.5 million for FY23, including approximately $1.0 million from the businesses to be exited. The Oneflare marketplace is performing ahead of revenue expectations communicated when the acquisition was announced.

New Marketplaces
The New Marketplaces, principally the UK and the US, generated revenue of $0.9 million in FY23, up 83.3% on FY22.

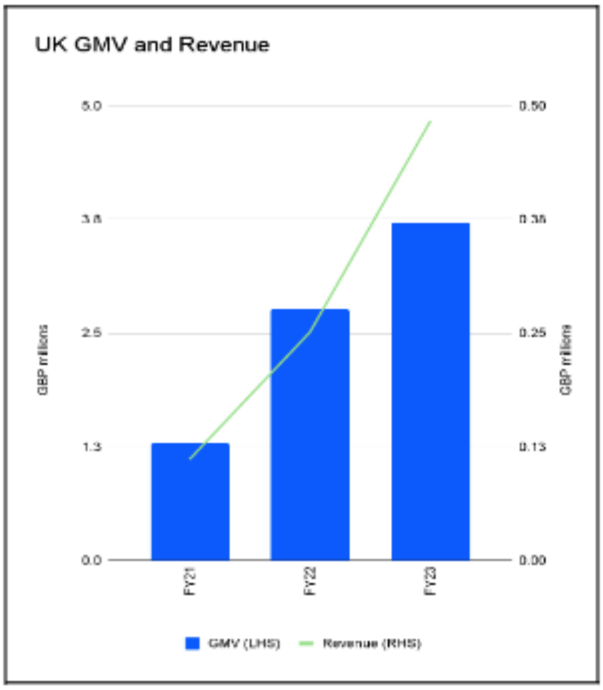
Airtasker operates marketplaces at multiple stages of development. In Australia, the marketplaces are at the 'scaling' stage. In the UK, the marketplaces are in the 'one to 100' stage during which the goal is to carefully balance supply and demand to drive marketplace activity and grow GMV. In the US, the marketplaces are in the 'zero to one' stage during which the focus is on creating a steadily increasing flow of job opportunities (posted tasks).

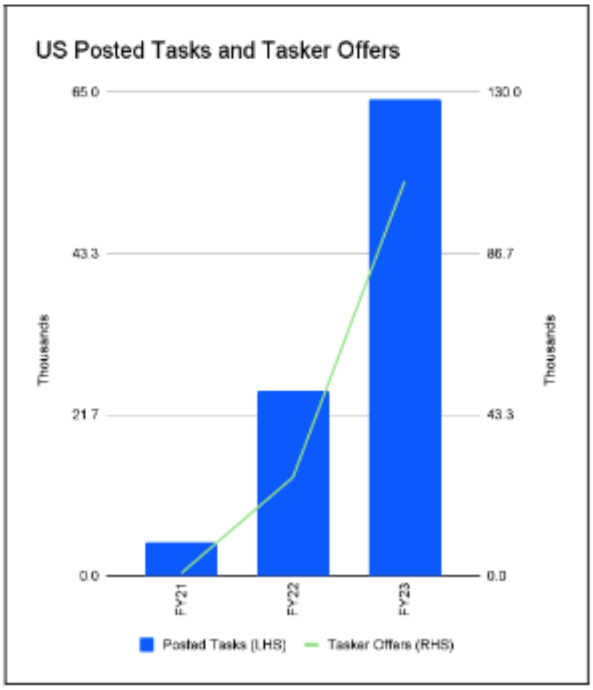
During FY23, Airtasker experienced strong growth in its UK marketplace enabling it to generate FY23 revenue growth of 92.5% to £0.5 million and FY23 GMV growth of 34.6% to £3.7 million. This strong revenue and GMV performance was achieved on the back of increasing brand awareness and the impact of improved monetisation policies introduced at the end of FY22.

During the UK spring, an all-new outdoor and radio brand campaign, showcasing Airtasker's refreshed brand, was launched targeting commuters. New users continue to be acquired through a combination of organic social and search, performance marketing and user incentives.

Airtasker's US marketplace continued to accelerate in FY23 with posted tasks up 2.6x on FY22 to 64,000. In line with customer demand, FY23 tasker offers were up 4.0x on FY22 to 106,000 demonstrating the impact of the "network effects". There is a consistent growth trend in both posted tasks and tasker offers following the transition to focus on the Los Angeles marketplace at the beginning of FY23. This focus has driven greater search engine optimisation, improved press relations and increased organic social media activity through influencer and brand partnerships.

During FY23 Airtasker continued to focus on building an efficient marketplace playbook to establish new marketplaces, driving growth through press relations leveraging the timely and unique user community content (e.g. How to throw a Superbowl party), local partnerships and building an engaged tasker community.





EBITDA
The EBITDA loss for FY23 was $8.0 million (FY22: $17.1 million), an improvement of 53.1%, driven largely by top line revenue growth of $12.7 million in FY23.

The addition of the Oneflare staff was the main driver of the 21.3% increase in employee benefits expense to $30.3 million (FY22: $25.0 million). The balance of the increase was due to the lower rate of capitalisation of platform development expenditure which was down 41.8% on FY22. The reduction reflected a change in the focus of the engineering and product teams, investing more time in non-capitalisable activities during the financial year, including the new Airtasker branding and maintenance activities across the Airtasker and Oneflare platforms.

During FY23 sales and marketing expenditure as a proportion of revenue reduced to 19.5% (FY22: 39.0%). This was a consequence of the larger revenue base following the addition of Oneflare and a reduction in marketing expenditure in the Australian market. During the financial year, significant work was undertaken on the new Airtasker branding that was launched in January 2023.

The addition of the Oneflare platform and marketplace was a major contributor to the increase in technology expenditure which increased 63.5% in FY23 to $5.8 million. Also contributing to the increase in technology expenditure was organic growth on the Airtasker platform and marketplaces, as well as further investment in cybersecurity testing, monitoring and threat mitigation.

Financial position and cash flows
The Group remains in a strong financial position as at 30 June 2023 with $16.1 million in cash and zero debt compared with $23.7 million in cash and zero debt at 30 June 2022.

The net reduction in cash of $7.7 million in FY23 was driven by net cash used in operating activities of $10.8 million offset by net cash inflows from investing activities of $0.3 million and the cash inflows from financing activities of $2.8 million.

Net cash used in operating activities was 18.4% lower than FY22 and reflected cash receipts from organic revenue growth in the Australian Airtasker marketplace and the full year revenue contribution from the Oneflare marketplace, offset by:

- higher employee benefits expense reflecting the addition of the Oneflare staff and a lower rate of capitalisation of platform development expenditure;
- restructuring costs relating to headcount reductions in April 2023 of $0.9 million;
- a net increase in prepayments of $0.2 million due to the timing of software licence and subscription renewals;
- annual insurance premium prepayments for FY24 of $0.5 million;
- the payment of $0.8 million to the Australian Taxation Office in settlement of a dispute regarding the Group's research and development activities for the years ended 30 June 2015 and 30 June 2016; and
- a net decrease in trade payables of $1.8 million.

Net cash from investing activities reflects proceeds from maturing term deposits of $4.5 million, offset by the $1.0 million investment in term deposits and the $3.4 million investment in capitalised investment for platform development.

Net cash from financing activities principally reflected the proceeds of $3.6 million from the issue of shares related to the acquisition of Oneflare, announced in May 2022, and completed in August 2022.

Business growth strategy, likely developments and expected results of operations

In service of our mission to empower people to realise the full value of their skills, Airtasker's vision is to become the world's most trusted place to buy and sell local services. Our investment thesis is focused on the development of Airtasker's core marketplace offering, inspiring more customers and taskers to increase usage frequency and growing our total addressable market through expansion into new international marketplaces.

Marketplace staging

The staging of Airtasker's strategic growth initiatives is critical because each city-level marketplace is built on liquidity and network effects which develop over time. Airtasker has defined 3 stages of marketplace development:

- 'Zero to one'. This is the first stage of marketplace development. During this stage the focus is on building a base of actively engaged taskers by creating a consistent source of job opportunities (posted tasks).
- 'One to 100'. This is the second stage of marketplace development. Once an initial flow of job opportunities has been established, the marketplace is balanced to drive GMV.
- 'Scaling'. Once a marketplace has moved into the third stage of development, established network effects, organic customer acquisition and strong unit economics are leveraged to realise value.

Strategic focus

The marketplaces at the 'scaling' stage are grouped as 'Established Marketplaces' while those falling into the 'zero to one' and 'one to 100' stages are grouped as 'New Marketplaces'. Airtasker intends to focus on the following three strategic pillars to support its Established and New Marketplaces in FY24:

1. Protect core platforms;
2. Improve marketplace reliability; and
3. Scale new marketplaces via media partnerships.

Established Marketplaces

Airtasker Australia

During the course of FY23 Airtasker Australia experienced softening consumer demand and a high supply environment that resulted in lower 'top of funnel' customer acquisition (posted tasks) but strong performance in customer experience and revenue.

Airtasker expects demand (posted tasks) to continue to be soft during FY24, however, supply (tasker offers) is expected to remain strong, resulting in high task assignment rates and high task completion rates. Consequently, revenue is expected to hold up with modest year-on-year growth and an improved take rate. The high supply environment also provides an opportunity to protect revenue by reviewing tasker monetisation options in the first half of FY24, including optimising the take rate.

In Australia, Airtasker has an active and growing base of over 415,000 UPCs with a purchase frequency of about 1.8 times per year. As Airtasker continues to scale its Australian customer base, there continues to be a significant opportunity to improve customer purchase frequency, which would have a strong impact on overall marketplace activity and transaction volumes.

Customer research, feedback and analytics confirms that an improvement in marketplace reliability is the area that will have the greatest leverage on increasing customer purchase frequency. In order to improve marketplace reliability Airtasker is launching several initiatives in the first half of FY24 to educate customers and taskers about their responsibilities, rank taskers by reliability, restrict taskers that breach community guidelines and align financial incentives with positive marketplace behaviour (high completion rates).

Oneflare
Based on extensive analysis of marketplace behaviour, Airtasker believes there is a significant opportunity to enhance the customer experience for more complex and higher value tasks. In May 2022, Airtasker acquired Oneflare to both enhance marketplace network effects and enable access to the high value trades segment.

The Oneflare marketplace contributed $9.5 million (21.5% of Group revenue) in FY23. The business model is largely subscription based with salespeople targeting the high value trades segment while search engine optimisation and performance marketing drive leads for subscription customers. Reducing customer churn, improving monetisation and increasing contribution margin are key focus areas for FY24.

Non-core businesses
On 27 April 2023, the Group announced a plan to exit non-core businesses acquired as part of Oneflare's portfolio of businesses, including Renovate Forum, Word of Mouth and Urban You. These changes will reduce recurring revenue in FY24 by up to $1.0 million while also having a positive impact on operating expenses and cashflow. The Renovate Forum business was closed in the fourth quarter of FY23 while the Word of Mouth business was disposed subsequent to the end of the financial year. The sale of the Urban You business is under negotiation with the disposal expected to be completed in the first half of FY24.

New Marketplaces: Investing in growing international marketplaces in the UK and the US
Airtasker is investing in new international marketplaces in order to replicate the success of its Australian marketplaces. Market data[6] shows that the TAM for local services in the UK and US are in aggregate more than $500 billion per annum, which is more than 10 times the size of the Australian TAM. Whilst Airtasker continues to pursue significant growth opportunities in its Australian market, it is also focused on leveraging its proven, open and infinitely horizontal marketplace platform to expand its reach in international geographies.

Airtasker has a high operating leverage business model as the marketplace software platform it has developed can be utilised in additional marketplaces with relatively low increases in fixed costs such as product, engineering and corporate costs. In new marketplaces, Airtasker does require investment into brand marketing to reach profitable scale.

In Australia, Airtasker successfully leveraged a partnership with television station Channel 7 over 5 years to increase brand awareness by 6 times and grow Airtasker Australian marketplace revenue by 20 times during that period. In new markets, Airtasker continues to explore media-for-equity partnerships as a cost effective strategy to fund international expansion and growth in an equity capital markets constrained environment.

United Kingdom
In the UK, the London city marketplace has developed meaningful liquidity and is now viewed as being in the 'one to 100' phase of marketplace development. In this phase, in addition to a continued focus on growing customer demand (posted tasks), there is a focus on ensuring adequate supply (tasker offers) and the successful matching of supply and demand to drive GMV.

Airtasker intends to grow brand awareness through the combination of above-the-line brand campaigns, organic social content and press relations. New users will be acquired through a combination of organic social and search, performance marketing and user incentives. Marketplace supply and demand will be balanced through a combination of financial incentives and community management initiatives.

6. Frost & Sullivan, *2021*

On 7 June 2023, the Group completed a media partnership with UK television station Channel 4, whereby the Group would receive $6.7 million (£3.5 million) of media advertising services in exchange for a 20% interest in the Company's subsidiary, Airtasker UK.

In FY24, Airtasker intends to rapidly grow brand awareness, users and network effects through an above-the-line television brand campaign leveraging the media advertising services from Channel 4 with access to the UK's biggest free streaming service (with over 1.2 billion views per year) and Channel 4's monthly reach of more than 47 million people (78% of the UK population)[7]. The television creative is in production with a launch scheduled for the second quarter of FY24.

Based on Airtasker's Australian experience with television station Channel 7, the marketing campaign is expected to result in aided brand awareness increasing significantly from the current 27%.[8] Posted tasks and tasker offers are also expected to increase as a consequence, leading to growth in GMV and revenue.

More recently, Airtasker has expanded its partnership with Dunelm, the UK’s leading home furnishings retailer, through which Airtasker point of sale merchandise appears in stores across the UK to assist with driving customer demand.

United States
The US city-level marketplaces are primarily in the 'zero to one' stage of marketplace development. Based on Airtasker’s Australian experience in building and growing city-level marketplaces, the priority is to generate a consistent flow of customer demand (posted tasks) to create the foundation for building a liquid and sustainable marketplace.

As the traditional local services market in the US is highly competitive, Airtasker is leveraging its unique strength - its infinitely horizontal marketplaces - which provides it with the ability to address the 'long tail of services' (e.g. 'remove a spider from my home' or 'retrieve my drone from a tree') that other marketplaces cannot. This strategy will enable Airtasker to generate initial marketplace liquidity before addressing more competitive local services categories.

During FY24 Airtasker plans on continuing to focus on organic growth in posted tasks through press relations, social media, search engine optimisation and paid and direct marketing while building an engaged tasker community.

Marketplace economics
As described above, Airtasker operates marketplaces at different stages of maturity: 'scaling' (e.g. Australian marketplaces), 'one to 100' (e.g. UK marketplaces) and 'zero to one' (e.g. US marketplaces). For the purposes of note 4 operating segment disclosure, the marketplaces have been grouped as Established Marketplaces Segment or New Marketplaces Segment plus global head office expenditure which is not attributable to a segment.

Management have also presented an alternative non-statutory view of the operating segment data disclosed in note 4 based on the 'marketplace economics', reconciling the Established Marketplaces EBITDA to Group EBITDA.

In FY23, Airtasker’s Australian marketplaces generated EBITDA profit of $25.0 million (FY22: $19.4 million profit). EBITDA from the Australian marketplaces more than covered the fixed global head office operating expenditure of $21.0 million (FY22: $18.0 million) to generate an Australian net EBITDA profit of $4.0 million in FY23 (FY22: $1.4 million profit).

After accounting for global innovation investment of $4.0 million (FY22: $8.0 million), and new marketplaces EBITDA loss of $8.0 million (FY22: $10.5 million loss), Airtasker delivered a Group EBITDA loss of $8.0 million (FY22: $17.1 million loss), a 53.2% improvement.

The sum of global head office operating expenditure of $21.0 million (FY22: $18.0 million) and global innovation investment of $4.0 million (FY22: $8.0 million) reconciles to the total global head office expenditure of $25.0 million (FY22: $26.0 million) at note 4.

7. *https://www.channel4.com/corporate/about-4/who-we-are/channels-and-platforms*

8. Qualtrics, *June 2023.*

	2023 $m	2022 $m	Change $m	Change %
Established marketplaces (Australia) EBITDA (note 4)	25.0	19.4	5.6	28.7%
Global head office operating expenditure (Australia)[9]	(21.1)	(18.2)	(2.9)	16.5%
Australian net EBITDA	**3.9**	**1.2**	**2.7**	202.8%
Global innovation investment[10]	(3.9)	(7.8)	3.9	(50.5%)
New marketplaces (UK and US) EBITDA (note 4)	(8.0)	(10.5)	2.5	(24.3%)
Group EBITDA (note 4)	**(8.0)**	**(17.1)**	**9.1**	**(53.1%)**

9. The portion of global head office expenditure relating to the Airtasker and Oneflare marketplaces (engineering, product support and maintenance), as well as back office support functions (leadership, legal, finance and people operations).
10. The portion of global head office expenditure relating to the Airtasker and Oneflare marketplaces that is non-capitalisable and associated with the development of new features designed to enhance the customer experience, increase long term GMV and grow long term revenue.

Significant changes in the state of affairs
On 18 August 2022, Airtasker completed the institutional placement announced on 4 May 2022 in conjunction with the acquisition of the business and assets of Oneflare. Cash proceeds in FY23 from shares issued in the institutional placement amounted to $3.5 million.

On 27 April 2023, the Group announced a program to reduce costs and focus on efficient global scaling of the core Airtasker marketplaces. As a result of these changes the Group is targeting to be net cashflow positive for the financial year ending 30 June 2024. The program of efficient growth included:
- Reducing global headcount by 20%, resulting in approximately 45 roles being made redundant, primarily in non-revenue generating functions.
- Exiting non-core businesses acquired as part of Oneflare's portfolio of businesses, including Renovate Forum, Word of Mouth and Urban You. These changes will reduce recurring revenue in FY24 by up to $1.0 million while also having a positive impact on operating expenses and cashflow. The business disposals are expected to be completed in the first half of FY24.
- Continuing to focus on efficient global scaling of the core Airtasker marketplaces and the Oneflare marketplace in Australia.

On 7 June 2023, Airtasker UK and the Company entered into a series of agreements with Channel 4 to issue shares equivalent to 20% of Airtasker UK's issued capital to Channel 4 in exchange for the provision of $6.7 million (£3.5 million) in media advertising services over financial years 2024 and 2025. The investment will enable the Group to accelerate its UK marketplace growth by building brand awareness, growing users and building network effects through access to the UK's biggest free streaming service (with over 1.2 billion views per year) and Channel 4's monthly reach of more than 47 million people (78% of the UK population).[11]

There were no other significant changes in the state of affairs of the Group during the financial year.

11. https://www.channel4.com/corporate/about-4/who-we-are/channels-and-platforms

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Matters subsequent to the end of the financial year
On 27 April 2023, the Group announced a plan to exit non-core businesses acquired as part of Oneflare's portfolio of businesses, including Word of Mouth and Urban You. The Word of Mouth business was sold subsequent to the end of the financial year and the sale of the Urban You business is under negotiation with the disposal expected to be completed in the first half of FY24.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name:	**Catherine (Cass) O'Connor**
Title:	Independent Non-Executive Chairperson
Qualifications:	Bachelor of Business from the University of Technology, Sydney and Graduate Australian Institute of Company Directors
Experience and expertise:	Cass joined Airtasker as the Independent Non-Executive Chairperson in July 2023. Cass is currently the Chair of NextEd Group (ASX:NXD) and a number of successful venture-backed technology companies including brand influencer marketplace Tribe. Cass has 35 years' of executive, non-executive and advisory experience, spanning various industries including media, technology, premium consumer goods, real estate and the arts. Her background is in finance, including as a senior equities research analyst with Deutsche Bank, and investment banking and private equity investing with a number of companies including Turnbull & Partners, Goldman Sachs LLC and Carnegie, Wylie & Co. Cass was previously the Chair of ASX-listed Prime Media Group where she managed a successful exit to Seven West Media. Cass has also held senior executive roles at some of Australia's most successful pioneering technology success stories, including initial General Manager of OzEmail and Executive Director of Ecorp, which launched eBay in Australia.
Other current directorships:	Chair of NextEd Group (ASX:NXD)
Former directorships (last 3 years):	Prime Media Group
Special responsibilities:	Member of the Audit and Risk Committee and the Nomination and Remuneration Committee.
Interests in shares:	150,000 shares (held indirectly)
Interests in options:	None
Interests in rights:	None

Name:	**Timothy (Tim) Fung**
Title:	Managing Director and Chief Executive Officer ('CEO')
Qualifications:	Bachelor of Commerce from the University of New South Wales
Experience and expertise:	Timothy is co-founder, Managing Director and CEO of Airtasker and has been the CEO of Airtasker since its incorporation in 2011. Timothy is currently also a co-founder and director of Tank Stream Labs Pty Ltd, a Sydney-based technology co-working space. Prior to joining Airtasker, Timothy was a founding team member at mobile telco start-up Amaysim and prior to that spent several years at Macquarie Bank and talent representation agency Chic Management.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	48,692,000 ordinary shares (held directly and indirectly)
Interests in options:	1,127,000 options (held directly)
Interests in rights:	4,911,914 rights (held directly)

Name:	**Ellen (Ellie) Comerford**
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Economics from Macquarie University
Experience and expertise:	Ellie joined Airtasker as an Independent Non-Executive Director in February 2021. Ellie has over 35 years of experience in financial services businesses in Australia and internationally across a range of regulated sectors, including insurance, banking and finance, and associated products and services. Ellie was the Chief Executive Officer and Managing Director of Genworth Mortgage Insurance Australia (ASX: GMA) between 2010 and 2016, leading the company to an IPO in 2014. Prior executive positions in the previous 20 years were held with First American Financial Corporation (NYSE: FAF – Fortune 500) and Citigroup Australia. In addition to being a Non-Executive Director of Heartland Group Holdings Limited (ASX: HGH) (NZX: HGH), Ellie is a Non-Executive Director of a number of privately held companies in Australia and the Netherlands. Ellie is a member of Chief Executive Women.
Other current directorships:	Non-Executive Director of Heartland Group Holdings Limited (ASX: HGH) (NZX: HGH)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	668,367 rights (held indirectly)

Name:	**Peter (Pete) Hammond**
Title:	Non-Executive Director
Qualifications:	Bachelor of Business from the University of Technology, Sydney and a member of the Institute of Chartered Accountants in Australia
Experience and expertise:	Peter joined Airtasker as a Non-Executive Director in November 2013. Peter is a co-founder and director of Exto Partners, a Sydney-based venture capital firm formed in 2003. With over nineteen years experience as a founder, investor and director of technology companies, Peter is experienced in building high growth companies. Peter is a qualified Chartered Accountant and prior to founding Exto Partners spent 10 years with KPMG in Australia and the US. As a senior executive with KPMG Consulting in New York, he focused on advising capital markets clients on risk management, product pricing, business process re-engineering and large-scale merger integration.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Nomination and Remuneration Committee and a member of the Audit and Risk Committee
Interests in shares:	70,817,712 ordinary shares (held indirectly)
Interests in options:	None
Interests in rights:	577,415 rights (held indirectly)

Name:	**Xiaofan (Fred) Bai**
Title:	Non-Executive Director
Qualifications:	Bachelor of Commerce from the University of Sydney
Experience and expertise:	Fred joined Airtasker as a Non-Executive Director in April 2015. Fred is a co-founder and the managing partner of Morning Crest Capital, a venture capital firm. Fred is also founder and CEO of Fanyu Investment, an equity investment management company. Fred was a co-founder and director of NASDAQ listed company Reven Housing REIT.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	61,682,042 ordinary shares (held indirectly)
Interests in options:	None
Interests in rights:	451,722 rights (held directly)

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mahendra Tharmarajah joined the Company as Chief Financial Officer ('CFO') in October 2022 and was appointed Company Secretary in June 2023. A qualified Chartered Accountant, Mahendra has over 25 years' experience in leading finance functions, across both listed and unlisted environments. Having commenced his career in the accounting profession Mahendra has spent the last twenty years in commerce including 6 years at high growth e-commerce marketplace Viator. Most recently Mahendra was CFO at listed labour hire and recruitment business Ignite Ltd for 6 years. Mahendra's experience includes strategic as well as operational finance expertise including systems implementation, mergers and acquisitions and international expansion.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
James Spenceley	12	12	3	4	5	5
Timothy Fung	12	12	-	-	-	-
Ellen Comerford	12	12	4	4	5	5
Peter Hammond	12	12	4	4	5	5
Xiaofan Bai	11	12	-	-	-	-

Remuneration report (audited)

Introduction and contents

On behalf of the Board of Directors of the Company, we are pleased to present the audited 2023 financial year ('FY23') Remuneration Report ('Report'), which forms part of the Directors' report. It has been prepared in accordance with the Corporations Act 2001 and the Corporations Regulation 2M.3.03 and audited as required by section 208(3C) of the Corporations Act 2001. It also includes additional information and disclosures that are intended to support a deeper understanding of remuneration governance and practices, for shareholders, where statutory requirements are not sufficient.

The Report details the Key Management Personnel ('KMP') remuneration arrangements for the Group (also referred to as 'the Company' or 'Airtasker'). KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all directors.

The Board takes its obligation to develop and implement a fair, responsible, and competitive remuneration framework seriously. The Board is focused on ensuring that remuneration is sufficient to attract and retain high quality key management personnel and executives, particularly given the very competitive market for qualified resources in the digital, technology and software engineering sector.

We aim to align our people philosophy and remuneration approach to the Company's mission of empowering people to realise the full value of their skills. Throughout FY23 the Company has increased its focus on remuneration for KMP, Executive Leadership Team and the wider employee population to ensure that we are aligned to the remuneration principles, attracting and retaining the right talent and driving desired behaviours and outcomes.

This report is structured with the following sections:

1. People covered by this report
2. Remuneration Principles and Strategy
3. FY23 KMP Remuneration Framework
4. FY23 KMP Remuneration and the link to performance and reward
5. Statutory Remuneration for KMP

1. People covered by this report

This report details the remuneration arrangements for the Group's KMP which comprises Non-Executive Directors ('NED') and Executive KMP for FY23. The KMP during the financial year are noted below.

	Position	Term as KMP	Nomination & Remuneration	Audit & Risk
NED				
James Spenceley[1]	Independent Non-Executive Chairperson	Full year	Member	Member
Ellen Comerford	Independent Non-Executive Director	Full year	Member	Chairperson
Peter Hammond	Non-Executive Director	Full year	Chairperson	Member
Xiaofan Bai	Non-Executive Director	Full year	Not applicable	Not applicable
Executive KMP				
Timothy Fung	Managing Director & CEO	Full year	Not applicable	Not applicable
Mahendra Tharmarajah	CFO	October 2022 to June 2023	Not applicable	Not applicable
Nathan Chadwick	CFO	July to October 2022	Not applicable	Not applicable

1. Resigned on 30 June 2023.

2. Remuneration Principles and Strategy

The Company listed in March 2021 and has since been on a continuous improvement journey to develop its remuneration strategy into a market leading proposition. In financial year 2022 the Company aligned its executive remuneration framework with its revised reward principles, remuneration strategy and ASX best practice. This revised executive remuneration framework was designed to attract, retain, and motivate high quality talent across all components of the business. Remuneration principles remain in place and unchanged for FY23.

Airtasker's remuneration strategy is designed around the following principles:

Total Reward approach	Attract, motivate and retain top talent	Pay for performance	Inclusive, equitable and fair approach	Value high demand skill sets	Tailored for our employees
We use a mix of reward elements to build competitive total reward packages.	We build market competitive policies and frameworks in each country / region with purpose. We have global strategic alignment which is locally implemented.	We reward out-performance, push hard to achieve our goals and celebrate when we win at an individual, team and company level.	We consider both internal and external factors when making reward decisions. Decisions will reflect our commitment to pay parity and inclusiveness. We aim to be open and transparent in how we make compensation decisions.	We see the value in people's skills. We understand skill supply /demand pressures and ensure we're able to hire the right skills at the right time.	We value our employees as individuals and we support them through a tailored approach to benefits, ways of working, and health and wellness offerings.

These remuneration principles aim to:

- drive clear alignment between the remuneration of employees and the Group's strategic objectives;
- offer competitive total reward packages that reward out-performance; and
- be clear, transparent and fair in the design, approach and communication of total reward elements.

As the Group grows and the employment market changes, the Board will review these principles and the remuneration framework to ensure it is 'fit-for-purpose' and aligns with the Group's strategy.

3. FY23 KMP Remuneration Framework

This section provides an overview of the KMP Remuneration Framework.

3.1 FY23 Executive KMP Remuneration Framework

The diagram below summarises the Executive KMP Remuneration Framework as applicable to FY23.

	Executive KMP Remuneration Framework					
	Element		FY23	FY24	FY25	FY26
Total Remuneration Package	Fixed		Fixed pay cash & benefits			
	Variable	Short Term Variable Remuneration (STVR)	STVR - 1 year service and performance conditions (ESG and Malus Gate applies)	< Audit, Metric & Gate Assessment < STVR Awarded - Paid as Cash		
		Long Term Variable Remuneration (LTVR)	LTVR - 1 year service & 3 year performance condition (iTSR Performance Rights)			< Metric Assessments & Vesting

Total Remuneration Package ('TRP') is intended to be composed of an appropriate mix of remuneration elements including Fixed Pay, Short Term Variable Remuneration ('STVR') and Long Term Variable Remuneration ('LTVR'). The Target TRP ('TTRP') (being the TRP value at Target/Expected Performance) is generally intended to fall around the sixty second and a half percentile (P62.5) of market benchmarks, subject to smoothing for volatility across role samples at the same level.

(1) Fixed Pay: Comprises base salary plus any other fixed elements such as superannuation, allowances, benefits, and fringe benefits tax. Fixed Pay is intended to be positioned at the fiftieth percentile (P50) of market benchmarks for comparably designed roles.

(2) STVR: The annual at-risk remuneration comprising cash and/or equity, based on service and performance hurdles. Metrics selected are intended to be linked to the primary drivers of value creation for stakeholders, and successful implementation of the long-term strategy over both the short and long term. Thresholds are intended to be a near-miss of expectations, while 'Target' is intended to be a challenging but realistically achievable objective. 'Stretch' on the other hand is designed to reward outperformance. The STVR is positioned around the median of peers.

(3) LTVR: The at-risk remuneration comprising equity, based on service and performance hurdles over a 3 year period. Metrics selected are intended to be linked to long-term shareholder value creation and to align the interests of executives with the interests of shareholders through “skin in the game”. The LTVR is positioned around the median of peers.

Details of remuneration components

Fixed Pay

Fixed Pay of Executive KMP comprises base salary and superannuation up to the statutory limit.

Short-Term Variable Remuneration Plan

A description of the STVR structure applicable for FY23 is set out below:

Purpose	To provide at-risk remuneration and incentives that reward executives for performance against annual objectives set by the Board at the beginning of the financial year. Objectives selected are designed to support long-term value creation for shareholders, and link to the long-term strategy on an annual basis.
Measurement period	The financial year of the Company.
Opportunity	The target value is 40% of Fixed Pay for the Executive KMP, with a maximum/stretch of 64% of Fixed Pay.
Service condition	The STVR is subject to the participant continuing to be employed by the Company throughout the financial year up to 30 June 2023 and not being subject to any period of notice of termination at that date unless otherwise determined by the Board.
Performance conditions	The STVR is dependent on meeting Group performance objectives. For FY23 the metrics are as follows: Revenue: 50% weighting Operating leverage: 25% weighting Cashflow: 25% weighting The revenue and cashflow requirements specified targets associated with the annual revenue and cashflow for FY23. Operating leverage performance requirements specify targets associated with the relationship between revenue growth and expense growth (including capitalised salaries). The objective of these targets is to ensure expense growth is aligned with the corresponding revenue growth.

Settlement	Settlement is in the form of cash only unless otherwise determined by the Board at the time of settlement. Awards are determined after the end of the financial year following auditing of financial statements. The Group may claw back any STVR declared or paid in the event of negligence, fraudulence or other actions deemed to be significantly harmful to Airtasker by the recipient. This will be continuously reviewed in future periods to align with ASX best practice. The Board has discretion to ensure the STVR reflects creation of shareholder value.

Long-Term Variable Remuneration Plan

A description of the LTVR structure applicable for FY23 is set out below.

Purpose	To provide at-risk remuneration and incentives that reward executives for performance against long-term value creation objectives set by the Board at the beginning of the financial year and to align the interests of executives with the interests of shareholders through “skin in the game”.
Measurement period	Three financial years of the Company.
Opportunity	For the CEO, the target value is 22% of Fixed Pay with a maximum/ stretch of 44% of Fixed Pay. For Executive KMP that are direct reports to the CEO, the target value is 28% of Fixed Pay.
Instrument	The LTVR is granted under the rights plan which allows for rights, service rights or restricted rights, each of which may be constructed as a Share Appreciation Right ('SAR'), which is equivalent to an option, when an exercise price is specified. For FY23 rights were used for the purposes of the LTVR. Rights are not subject to dividend or voting entitlements.
Price and exercise price	The price is nil because it forms part of the remuneration of the participant. The exercise price is nil when constructed as rights, or equal to the share price used in the grant calculation when constructed as SARs. However, the exercise price is “cashless” or notional. When rights with an exercise price greater than nil are exercised, the exercised rights value is calculated as: *(Share Price at Exercise – Exercise Price) x Number of Rights Exercised* The exercised rights value that is to be settled in shares is then divided by the share price at exercise to determine the number of shares that will be received. The aim of this approach is to reduce dilution compared to options with comparable terms.
Allocation method	The rights are valued using the following method when the exercise price is nil: *Right Value = Share Price – (Annual Dividend x Years to First Exercise)* The number of rights in each tranche is then calculated as follows: *Number = Maximum LTVR$ ÷ Right Value* Share price = Volume weighted average price ('VWAP') during the 5-day period up to the grant date. When constructed as SARs, the right value is subject to a Black-Scholes valuation, ignoring vesting conditions.

Service condition	Participants must meet a minimum 12-month service condition to be eligible for rights to vest.
Performance condition	The Airtasker share price compound annual growth rate ('ART CAGR') must meet or exceed the compound annual growth rate of the ASX Information Technology Index ('Index CAGR') over three financial years ("Measurement Period") for the rights to vest as follows. For the CEO, if the ART CAGR is equal to the Index CAGR for the Measurement Period, 25% of the rights vest. If the ART CAGR exceeds the Index CAGR for the Measurement Period by 2.5% or more, 50% of the rights vest. If the ART CAGR exceeds the Index CAGR for the Measurement Period by 5.0% or more, 100% of the rights vest. Outcomes that fall between the specified levels of performance will result in a pro-rata calculation being applied. For Executive KMP that are direct reports to the CEO, if the ART CAGR is equal to the Index CAGR for the Measurement Period, 50% of the rights vest. If the ART CAGR exceeds the Index CAGR for the Measurement Period by 2.5% or more, 100% of the rights vest. Outcomes that fall between the specified levels of performance will result in a pro-rata calculation being applied.
Settlement	The rights are "indeterminate rights" that may be settled in shares (including a restricted share), or cash equivalent, upon valid exercise.
Term	Rights must be exercised within 15 years of the grant date, otherwise they lapse. When constructed as SARs, the term is five years.

Both the STVR and LTVR plan payments are subject to an Environmental, Social and Governance and malus, clawback and corporate action terms. The Board has discretion to modify the awards payable to participants regardless of any performance outcome or gate, to ensure that outcomes are appropriate to the circumstances that prevailed over the measurement period.

Ongoing Benchmarking of Executive KMP

In March 2023 the Board engaged external remuneration consultants Godfrey Remuneration Group to test Executive KMP remuneration with reference to appropriate independently sourced comparable benchmark data. Benchmark groups are generally designed to be based on 20 companies from the same market sector, within a range of 50% to 200% of the market value of the Company at the time, and evenly balanced to ensure measures of central tendency are highly relevant. Benchmarks may be adjusted upwards or downwards for variations in role design compared to market benchmark roles, and individual remuneration may vary by +/- 25% compared to the policy midpoint, to reflect individual/incumbent factors such as experience, qualifications and performance.

3.2 NED Remuneration Framework

NED fee policy

The following outlines the principles that the Company applies to governing NED remuneration:

Aspect	Comment
Key considerations	Fees for NEDs are based on the nature of the directors' work and their responsibilities, considering the nature and complexity of the Company and the skills and experience of the director. NEDs' fees are recommended by the Nomination and Remuneration Committee and determined by the Board. External consultants may be used to source the relevant data and commentary or to obtain independent recommendations given the potential for a conflict of interest in the Board setting its own fees.
Independence	To preserve independence and impartiality, NEDs are not entitled to any form of variable remuneration payments and the level of their fees is not set with reference to measures of the Company's performance.
Flexibility	NEDs can elect how they wish to receive their fees, for example, as cash, superannuation contributions or equity.
Aggregate Board fees	The total amount of annual fees paid to NEDs is within the aggregate amount set out as part of the IPO Prospectus of $750,000 per annum. In accordance with the ASX Listing Rules, grants of equity approved by shareholders are excluded from the calculation of aggregate Board fees. In FY23 and FY24 the aggregate NED fees are $480,000 exclusive of superannuation.

There is no change to the NED fee policy or fees payable to NEDs between FY23 and FY24.

The following outlines the NED fees applicable for FY24:

Role/function	Main Board FY24[1]	Audit and Risk Committee FY24[1]	Nomination and Remuneration Committee FY24[1]
Chair	$160,000	$20,000	$15,000
Member (Australia)	$100,000	$5,000	$5,000
Member (International)	$75,000	$0	$0

1. Fees are in Australian dollars and expressed as exclusive of superannuation. The Board Chair does not receive committee fees. NEDs are also reimbursed for out-of-pocket expenses that are directly related to the Company's business.

NED fee sacrifice equity plan

A description of the key terms of the NED fee sacrifice equity plan is provided below:

Purpose	To facilitate NEDs exchanging cash remuneration for equity interests with a view to increasing their "skin in the game", alignment with shareholder interests, and to fulfil expectations regarding NED share ownership.
Opportunity	NEDs may elect to exchange up to 100% of their Board fees excluding superannuation.
Price and exercise price	The price is nil, because it forms part of the remuneration of the participant, however, grants are generally based on an agreement to forego cash Board fees. The exercise price is nil.

Allocation method	The rights are valued using the following method when the exercise price is nil: *Right Value = Share Price – (Annual Dividend x Years to First Exercise)* *Number = Sacrificed$ ÷ Right Value* Share price = VWAP during the 5-day period up to the grant date.
Vesting conditions, exercise restrictions and disposal restrictions	To ensure NED independence is not compromised, and to recognise that the instruments are an alternative to cash remuneration, the rights are not subject to any vesting conditions. Rights are granted at the end of each financial quarter and may not be exercised within 90 days of the grant date. However, a specified disposal restriction applies such that rights may never be disposed of while the NED holds office or employment with the Company, or the earlier elapsing of 15 years from the grant date.
Settlement	The rights are share rights (that is, not indeterminate) that may be settled in shares only, however, if they are exercised while a specified disposal restriction applies, they will be restricted shares that will be held in trust.
Term	Rights must be exercised within 15 years of the grant date, otherwise they lapse.

There is no change to the NED fee sacrifice equity plan between FY23 and FY24.

3.3 Results of the FY22 AGM Remuneration Report
At the Company's most recent AGM no comments were made on the Remuneration Report and when a resolution that the Remuneration Report for the last financial year be adopted was put to the vote over 98% of shareholders voted to adopt the report.

4. KMP Remuneration and the link to performance and reward
The Board views the outcomes of remuneration for FY23 performance as appropriately aligned to stakeholder interests generally, given the Group performance against annual objectives despite ongoing challenging macro-economic market conditions, including high inflation and high interest rates impacting marketplace demand and supply.

4.1 Group performance at-a-glance
The following outlines the annual financial performance for FY23:

	2023 $'000	2022 $'000	2021 $'000
Revenue	44,171	31,469	26,571
Gross Marketplace Volume ('GMV')	253,505	189,609	153,136
EBIT[1]	(12,836)	(20,603)	(9,615)
Loss after income tax	(12,918)	(20,391)	(9,709)

1 Agrees to the Group results within the operating segments note in the financial statements.

The Company's share price was $0.181 at 30 June 2023 (30 June 2022: $0.250).

In addition to these indicators of Group performance, the following were notable achievements during the financial year:

- Reduction in Operating Costs - In April 2023, the Group implemented a program to reduce costs and enable it to target being cashflow positive for FY24 which involved reducing global headcount by 20%, resulting in approximately 45 roles being made redundant, primarily in non-revenue generating functions.

- Strong Growth in the UK Marketplaces - The UK Airtasker marketplaces demonstrated strong performance with FY23 revenue growth of 92.5% to £0.5 million and GMV growth of 34.6% to £3.7 million.

- Channel 4 Media Partnership - In June 2023, the Group completed a media partnership with UK television station Channel 4 whereby the Group would receive $6.7 million (£3.5 million) of media advertising services in exchange for a 20% stake in Airtasker's UK subsidiary.

- Integration of Oneflare - The integration of Oneflare has proceeded to plan with the business contributing a full year of revenue while also achieving operational, technical and financial synergies through integration into the pre-existing Airtasker operational and support functions.

4.2 FY23 Executive KMP remuneration

The FY23 Fixed Pay reflected the alignment to the benchmark ASX listed market data remuneration.

The FY23 STVR for KMP consisted of the following key terms:

1	FY23 STVR	In FY23, Timothy Fung had the opportunity to receive $250,000 including superannuation upon meeting service and performance conditions. For FY23 the performance conditions relate to achieving revenue, operating leverage and cashflow targets. Timothy had the opportunity to receive a further $125,000 including superannuation (pro-rated) when stretch targets were achieved. For FY23, Timothy will be awarded a total STVR of $62,500 including superannuation based on the performance conditions achieved.
2	FY23 STVR	In FY23, Mahendra Tharmarajah had the opportunity to receive $100,000 including superannuation (pro-rated for service) upon meeting service and performance conditions. For FY23 the performance conditions relate to achieving revenue, operating leverage and cashflow targets. Mahendra had the opportunity to receive a further $100,000 including superannuation (pro-rated) when stretch targets were achieved. For FY23, Mahendra will be awarded a total STVR of $38,082 including superannuation based on the performance conditions achieved and a discretionary bonus component.

The FY23 LTVR for KMP consisted of the following key terms:

1	FY23 LTVR	In FY23 Timothy Fung was issued rights, with vesting dependent on the satisfaction of service and performance conditions, equal to $200,000 (with a fair value of $214,286). In accordance with the FY23 LTVR, the service condition is a minimum 12 months to be eligible for rights to vest. The three-year performance condition is based on the ART CAGR performance against the Index CAGR, where 25% will vest where the ART CAGR is equal to the Index CAGR, 50% will vest where the ART CAGR is equal to 2.5% or more above the Index CAGR and 100% will vest where the ART CAGR is equal to 5% or more above the Index CAGR.
2	FY23 LTVR	In FY23 Mahendra Tharmarajah was issued rights, with vesting dependent on the satisfaction of service and performance conditions, equal to $100,000 ($72,329 pro-rated for service with a fair value of $53,970). In accordance with the FY23 LTVR, the service condition is a minimum 12 months to be eligible for rights to vest. The three-year performance condition is based on the ART CAGR performance against the Index CAGR, where 50% will vest where the ART CAGR is equal to the Index CAGR and 100% will vest where the ART CAGR is equal to 2.5% or more above the Index CAGR.

4.3 FY23 NED remuneration

The FY23 NED remuneration consisted of the following key components:

1	Board and committee fees	In FY23 James Spenceley was paid $160,000 NED fees in cash. Nil NED remuneration was paid in FY22. In FY23 Peter Hammond was paid $120,000 NED fees in cash. Nil NED remuneration was paid in FY22. In FY23 Ellen Comerford was paid $27,625 NED fees (including superannuation) in cash and exchanged $100,000 NED fees for nil exercise price rights under the NED fee sacrifice equity plan. NED remuneration of $38,959 in cash was paid in FY22. In FY23 Xiaofan Bai exchanged $75,000 in NED fees for nil exercise price rights under the NED fee sacrifice equity plan in FY23. Nil NED remuneration was paid in FY22.
2	Legacy KMP option plan (start-up concessions)	James Spenceley received options that vest over four years from financial year 2020 to FY24. In FY23, $38,488 was expensed in relation to these options.

5. Statutory remuneration for KMP
5.1 Amounts of remuneration

Details of the statutory remuneration of KMP of the Group are set out in the following tables.

2023	Cash salary and fees STB $	Cash/ STVR/ non-monetary/ bonuses STB $	Annual leave accrual[2] STB $	Super-annuation PEB $	Long service leave accrual[2] LTB $	Equity-settled/LTVR [3] SBP $	Total $
NED							
James Spenceley[1]	160,000	-	-	-	-	38,488	198,488
Ellen Comerford[4]	25,000	-	-	2,625	-	100,000	127,625
Peter Hammond	120,000	-	-	-	-	-	120,000
Xiaofan Bai[4]	-	-	-	-	-	75,000	75,000
Executive KMP							
Timothy Fung	450,000	62,500	41,863	25,292	6,958	108,457	695,070
Mahendra Tharmarajah[5]	262,154	38,082	24,154	18,969	246	12,963	356,568
Nathan Chadwick[6]	204,615	-	12,505	18,969	(4,837)	(13,940)	217,312
	1,221,769	100,582	78,522	65,855	2,367	320,968	1,790,063

(STB: Short-term benefits; PEB: Post-employment benefits; LTB: Long-term benefits; SBP: Shared-based payments)

1 Resigned 30 June 2023.
2 Represents the leave accounting accrual.
3 LTVR value reported in the table is the amortised accounting charge for vesting of all grants during the reporting period that had not lapsed or vested as at the start of the period. These charges are based on the fair value designated at grant date.
4 Amortised accounting charge of LTVR is equivalent to the fair value of the rights granted.
5 Appointed 10 October 2022.
6 Resigned 7 October 2022. Includes a termination payment on resignation of $150,000 excluding superannuation.

2022	Cash salary and fees STB $	Cash/ STVR/ non-monetary/ bonuses STB $	Annual leave accrual[1] STB $	Super-annuation PEB $	Long service leave accrual[1] LTB $	Equity-settled/LTVR 2 SBP $	Total $
NEDs							
James Spenceley	-	-	-	-	-	61,381	61,381
Ellen Comerford	25,000	-	-	2,500	-	-	27,500
Peter Hammond	-	-	-	-	-	-	-
Xiaofan Bai	-	-	-	-	-	-	-
Executive KMP							
Timothy Fung	450,000	-	34,520	23,568	5,893	62,581	576,562
Nathan Chadwick	300,000	-	17,349	23,568	2,572	85,596	429,085
	775,000	-	51,869	49,636	8,465	209,558	1,094,528

(STB: Short-term benefits; PEB: Post-employment benefits; LTB: Long-term benefits; SBP: Shared-based payments)

1 Represents the leave accounting accrual.
2 LTVR value reported in the table is the amortised accounting charge for vesting of all grants during the reporting period that had not lapsed or vested as at the start of the period. These charges are based on the fair value designated at grant date.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Remuneration	2023 % of maximum awarded/vested	2023 % of maximum forfeited/lapsed	2023 % of total remuneration package
Timothy Fung	Total fixed pay	100%	-	73%
	Cash STVR/bonuses	25%	75%	10%
	Equity/LTVR	-	-	17%
Mahendra Tharmarajah	Total fixed pay	100%	-	85%
	Cash STVR/bonuses	53%	47%	11%
	Equity/LTVR	-	-	4%
Nathan Chadwick[1]	Total fixed pay	100%	-	107%
	Cash STVR/bonuses	-	-	-
	Equity/LTVR	-	12%	(7%)

1 LTVR lapsed is from options granted in FY21 expiring on termination. Total LTVR from amortised accounting change was ($13,940), which represents a negative percentage of the total remuneration package.

Name	Remuneration	2022 % of maximum awarded/vested	2022 % of maximum forfeited/lapsed	2022 % of total remuneration package
Timothy Fung	Total fixed pay	100%	-	88%
	Cash STVR/bonuses	-	-	-
	Equity/LTVR	-	-	12%
Nathan Chadwick	Total fixed pay	100%	-	79%
	Cash STVR/bonuses	-	-	-
	Equity/LTVR	-	-	21%

5.2. Statutory share-based compensation for KMP

Issue of shares

There were no shares issued to NEDs and Executive KMP as part of compensation during the financial year ended 30 June 2023.

Options

There were no new options granted to NEDs and Executive KMP as part of compensation during the financial year ended 30 June 2023.

Values of options over ordinary shares granted, vested, exercised and lapsed for NEDs and Executive KMP as part of compensation during the year ended 30 June 2023 are set out below:

Name	Value of options granted during the year $	Value of options vested during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
NEDs					
James Spenceley	-	38,488	-	-	19.00%
Executive KMP	-	-	-	-	-
Timothy Fung	-	11,571	-	-	2.00%
Nathan Chadwick	-	(13,940)	-	-	(7.00%)

Rights

The terms and conditions of each grant of rights over ordinary shares affecting remuneration of NEDs and Executive KMP in this financial year or future reporting years are as follows:

1. On 24 November 2021, 29,644 performance rights over ordinary shares were granted to Timothy Fung. The rights are vested and exercisable based on Airtasker's 30 day VWAP at 30 June 2022 being equal to or above Airtasker's VWAP at 30 June 2021. If this target is not achieved, the performance is re-tested based on Airtasker's 30 day VWAP at 30 June 2023 being equal to or above Airtasker's VWAP at 30 June 2021. If this target is not achieved, the performance is re-tested based on the ART CAGR being equal to or exceeding the Index CAGR for the three year period commencing 1 July 2021. The fair value per right at grant date was $0.82. Each performance right over ordinary shares has nil exercise price and expires on 24 November 2036.

2. On 24 November 2021, 29,644 performance rights over ordinary shares were granted to Timothy Fung. The rights are vested and exercisable based on Airtasker's 30 day VWAP at 30 June 2023 being equal to or above Airtasker's VWAP at 30 June 2021. If this target is not achieved, the performance is re-tested based on the ART CAGR being equal to or exceeding the Index CAGR for the three year period commencing 1 July 2021. The fair value per right at grant date was $0.76. Each performance right over ordinary shares has nil exercise price and expires on 24 November 2036.

3. On 24 November 2021, 39,526 performance rights over ordinary shares were granted to Timothy Fung. The rights are vested and exercisable based on the ART CAGR being equal to or exceeding the Index CAGR for the three year period commencing 1 July 2021. The fair value per right at grant date was $0.67. Each performance right over ordinary shares has nil exercise price and expires on 24 November 2036.

4. On 1 July 2022, 714,286 performance rights over ordinary shares were granted to Timothy Fung. The rights are eligible to vest based on a minimum 12 month service condition. The rights will vest based on the ART CAGR performance against the Index CAGR for the three year period commencing 1 July 2022, where 25% will vest if the ART CAGR is equal to the Index CAGR, 50% will vest if the ART CAGR is equal to 2.5% or more above the Index CAGR, and 100% will vest if the ART CAGR is equal to 5% or more above the Index CAGR. Each performance right over ordinary shares has nil exercise price and expires on 1 July 2037.

5. On 10 October 2022, 221,189 performance rights over ordinary shares were granted to Mahendra Tharmarajah. The rights are eligible to vest based on a minimum 12 month service condition. The rights will vest based on the ART CAGR performance against the Index CAGR for the three year period commencing 1 July 2022, where 50% will vest if the ART CAGR is equal to the Index CAGR and 100% will vest if the ART CAGR is equal to 2.5% or more above the Index CAGR. Each performance right over ordinary shares has nil exercise price and expires on 10 October 2037.

Note: The minimum value to be expensed in future years for each of the above grants is nil. A reversal of previous expense resulting in a negative expense in the future may occur in the event of a KMP departure or failure to meet non-market-based conditions.

Rights granted carry no dividend or voting rights.

Values of performance rights over ordinary shares granted, vested, exercised and lapsed for NEDs and Executive KMP as part of compensation during the year ended 30 June 2023 are set out below:

Name	Value of rights granted during the year $	Value of rights vested during the year $	Value of rights exercised during the year $	Value of rights lapsed during the year $	Remuneration consisting of rights for the year %
Executive KMP					
Timothy Fung	214,286	-	-	-	-
Mahendra Tharmarajah	53,970	-	-	-	-
	268,256	-	-	-	

5.3. Additional statutory disclosures

Shareholding

The number of shares in the Company held during the financial year by each NED and Executive KMP, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
NED					
James Spenceley[1,2]	2,960,708	-	905,792	(1,000,000)	2,866,500
Ellen Comerford	-	-	-	-	-
Peter Hammond[2]	67,329,340	-	3,488,372	-	70,817,712
Xiaofan Bai[2]	57,030,879	-	4,651,163	-	61,682,042
Executive KMP					
Timothy Fung[3]	48,255,000	-	437,000	-	48,692,000
	175,575,927	-	9,482,327	(1,000,000)	184,058,254

1. Resigned 30 June 2023.
2. Allocation held indirectly.
3. Allocation held directly and indirectly.

Option holdings

The number of options over ordinary shares in the Company held during the financial year by each NED and Executive KMP, including their personally related parties, is set out below:

Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
NED					
James Spenceley[1]	1,000,000	-	-	-	1,000,000
Executive KMP					
Timothy Fung	1,168,000	-	(437,000)	-	731,000
Nathan Chadwick[2]	2,000,000	-	-	(2,000,000)	-
	4,168,000	-	(437,000)	(2,000,000)	1,731,000

1. Resigned 30 June 2023.

2. Resigned 7 October 2022. Options removed from reconciliation as ceased being a KMP, despite the options not expiring or being forfeited.

Rights holdings

The number of rights over ordinary shares in the Company held during the financial year by each NED and Executive KMP, including their personally related parties, is set out below:

Rights over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
NED					
James Spenceley[1,4]	789,292	-	(789,292)	-	-
Ellen Comerford[4]	270,917	397,450	-	-	668,367
Peter Hammond[4]	577,416	-	-	-	577,416
Xiaofan Bai	153,635	298,087	-	-	451,722
Executive KMP					
Timothy Fung	4,098,814	714,286	-	-	4,813,100
Mahendra Tharmarajah[2]	-	221,189	-	-	221,189
Nathan Chadwick[3]	153,846	-	-	(153,846)	-
	6,043,920	1,631,012	(789,292)	(153,846)	6,731,794

1. Resigned 30 June 2023.

2. Appointed 10 October 2022.

3. Resigned 7 October 2022. Rights removed from reconciliation as ceased being a KMP, despite the rights not expiring or being forfeited.

4. Allocation held indirectly

Executive KMP service agreements

The following outlines current Executive KMP service agreements:

Name and position	Employing company	Duration of contract	Notice period from the company	Notice period from the KMP	Termination payments*
Timothy Fung (Managing Director & CEO)	Airtasker Limited	No fixed term	12 months	12 months	12 months' fixed pay
Mahendra Tharmarajah (Company Secretary & CFO)	Airtasker Limited	No fixed term	6 months	6 months	6 months' fixed pay

* Under the Corporations Act 2001 the Termination Benefit Limit is 12 months average base salary (over the prior three years) unless shareholder approval is obtained.

NED service agreements
The appointment of NEDs is subject to a letter of engagement. Under this approach NEDs are not eligible for any termination benefits following termination of their office, nor any payments other than those required under law such as in respect of superannuation. There are no notice periods applicable to either party under this approach.

Shares that result from the exercise of restricted rights issued in lieu of fees may not be disposed of until the director is no longer a member of the Board, or an employee of the Group, unless approved by the Board.

Loans to/from KMP and their related parties
The Group made no loans to NEDs and Executive KMP during the financial year and as at 30 June 2023 (30 June 2022: Nil).

Other transactions with KMP and their related parties
Certain KMP, or their personally related entities (related parties), hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Some of these entities transacted with the Group in FY23. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions with unrelated entities on an arms-length basis.

Use of external remuneration consultants
In March 2023 the Board engaged external remuneration consultants Godfrey Remuneration Group ('GRG') to test Executive KMP remuneration with reference to appropriate independently sourced comparable benchmark data. The Airtasker Executive KMP remuneration was consistent with appropriate benchmarks. Fees paid to GRG in FY23 were $30,000 ex GST.

This concludes the Remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price*	Number under option
October 2015	N/A	$0.028	130,000
July 2016	N/A	$0.060	212,000
August 2018**	August 2023	$0.760	277,000
October 2018	October 2023	$0.760	436,542
December 2018	December 2023	$0.760	213,542
January 2019	January 2024	$0.760	3,537,498
April 2019	April 2024	$0.760	24,000
July 2019	July 2024	$0.760	1,354,604
September 2019	September 2024	$0.760	396,000
November 2019	November 2024	$0.760	89,989
September 2020	September 2025	$0.500	2,175,000
January 2021	January 2026	$0.500	2,561,844
September 2020*	September 2025	$0.500	850,000
January 2021*	January 2026	$0.500	5,435,731
			17,693,750

* In September 2020 and January 2021, the shares under option with an exercise price of $0.760 underwent an accounting modification in which new options were granted to the option holders at $0.500 and the option holders could only exercise the new $0.500 options by giving up their right to exercise the $0.760 options; what this means is that the option holders can only elect to exercise at either $0.500 or $0.760 but not both.

** These options expired on 23 August 2023.

	Original terms - Terms of $0.760 options	Modified terms - Terms of $0.500 options
Exercise price	$0.760	$0.500
Expiry period	Five years from the original grant date	Five years from the new grant date
Vesting conditions	Service-based condition	Service-based condition
Vesting period	Four year period	Four year period
Selling restrictions	None	Can be disposed after three years from the new grant date

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under rights

Unissued ordinary shares of the Company under rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
February 2021	February 2036	$0.760	4,000,000
February 2021	February 2036	$0.000	303,846
March 2021	March 2036	$0.000	1,001,968
May 2021	May 2036	$0.000	472,401
June 2021	June 2036	$0.000	236,459
July 2021	July 2036	$0.000	184,776
August 2021	August 2036	$0.000	166,298
September 2021	September 2036	$0.000	554,167
November 2021	November 2036	$0.000	116,025
December 2021	December 2036	$0.000	133,810
January 2022	January 2037	$0.000	86,530
February 2022	February 2037	$0.000	20,708
March 2022	March 2037	$0.000	816,014
April 2022	April 2037	$0.000	19,405
June 2022	June 2037	$0.000	84,458
July 2022	July2037	$0.000	75,187
August 2022	August 2037	$0.000	948,877
September 2022	September 2037	$0.000	328,548
October 2022	October 2037	$0.000	522,591
November 2022	November 2037	$0.000	1,058,369
December 2022	December 2037	$0.000	483,667
January 2023	January 2038	$0.000	631,029
February 2023	February 2038	$0.000	813,653
March 2023	March 2038	$0.000	193,585
April 2023	April 2038	$0.000	516,873
May 2023	May 2038	$0.000	318,357
June 2023	June 2038	$0.000	250,000
August 2023	August 2038	$0.000	2,243,531
			16,581,132

No person entitled to exercise the rights had or has any right by virtue of the right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were 826,000 ordinary shares of Airtasker Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report. See note 21.

Shares issued on the exercise of rights

There were 1,108,525 ordinary shares of Airtasker Limited issued on the exercise of rights during the year ended 30 June 2023 and up to the date of this report. See note 21.

Indemnity and insurance of officers
The Company has indemnified the NEDs and Executive KMP of the Company for costs incurred, in their capacity as a NED or Executive KMP, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the NEDs and Executive KMP of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
As shown in note 25 to the financial statements, there have been no amounts paid or payable to the auditor for non-audit services during the financial year.

Officers of the Company who are former partners of Deloitte Touche Tohmatsu
There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

Risk and governance
The Board of the Company recognises that effective risk management is an integral part of good management and vital to continued growth and success of the Group. Through the established risk management framework and risk management processes, the key risks for the Group have been identified. Risk management through mitigation strategies to manage the impact of these key risks on the business are in place, monitored, reviewed and updated periodically. The key identified risks for the Group are:

Changes to macro-economic conditions - The demand for particular services through the Group's marketplaces is dependent on the overall level of consumer demand in the relevant economy for those services. Changes to macro-economic conditions, including inflation rates, interest rates, unemployment rates and volatility in global capital markets may impact consumer confidence. Consequently, the level of consumer demand and the volume of labour supply through the Group's marketplaces may be impacted.

Climate change - The Group’s financial performance may be impacted by climate change including extreme environmental and weather conditions in key markets. The Group is currently assessing its environmental and social sustainability footprint and intends to undertake a more in-depth review of its exposure to environmental and social risks.

Competition - There are a number of online marketplaces with which the Group competes from time to time, particularly in international markets. There is a risk that competitors may increase their position through increased marketing, technological advances and innovations, more competitive pricing, obtaining more funding and more specialised expertise and resources. Increased competition may reduce consumer demand and the volume of labour supply through the Group's marketplaces.

Compliance with and changes to laws and regulations - The Group operates in a sector where laws and regulations relating to its operations are evolving. There is a risk that new laws or regulations may be enacted or existing laws or regulations amended in such a way that impose regulations on the Group and/or users of its marketplaces. The Group operates ‘infinitely horizontal marketplaces’, which means that users may use the Group's marketplaces to demand and supply almost any lawful service they wish for or want to provide. There is a risk that the provision of a particular service may require the Group itself to comply with laws or regulation or require a specific licence in respect of that particular service. As the Group expands internationally, compliance risk expands with it, and there is a risk that the Group will not meet all applicable laws and regulations.

The Australian Federal Government has recently indicated its intention to impose regulations on marketplaces that directly employ workers through its 'employee-like' legislation to be introduced in FY24. The Group does not expect to be subject to these regulations as it is not an 'employer'. The UK Government is in the process of implementing the OECD Model Rules for reporting by platform operators with respect to sellers in the sharing and gig economy. The Group expects to be subject to these rules in the UK which will require it to collect, verify and report certain information relating to taskers on the platform to the UK tax authorities. The Group is currently working to understand and implement its obligations under the rules.

Data breaches and other data security incidents - The Group and its suppliers collect a wide range of personal and service usage data and other confidential and sensitive information from users of its marketplaces in the ordinary course of business, and store that data electronically. As an online business the Group is exposed to cybersecurity risk that may arise through a cyber attack or data breach relating to its marketplace platforms. The Group and its third party suppliers have systems in place to maintain the confidentiality and security of that data and prevent unauthorised access to, or disclosure of that data, however, there can be no guarantee that the systems will completely protect against cyber attacks, data breaches or other data security incidents.

Fraud in the marketplace - As the Group continues to grow, particularly into international markets, incidences of fraud in the marketplace may increase. The Group has teams dedicated to marketplace security management, but cannot guarantee increasingly sophisticated occurrences of fraud will be prevented.

Key personnel - The Group is dependent on its existing employees as well as its ability to attract and retain skilled employees. Loss of key employees or under-resourcing and an inability to recruit suitable employees within a reasonable time period may cause disruptions to the Group's marketplaces and growth initiatives and adversely impact the Group's operations and financial performance.

Liability and reputational damage - There is a risk that taskers may not perform services to the standards expected by customers or engage in criminal or other dangerous activities that may negatively impact the Group's brands and reputation. Customers may seek legal action against the Group or seek to hold the Group liable for the actions of its taskers. The Group's reputation and brands may be adversely impacted by substandard performance by taskers, negative customer experiences on the marketplace, customer complaints or other adverse events which involve the Group's marketplace.

Performance of technology - The Group operates online marketplaces and is heavily reliant on information technology to ensure the marketplace platforms are available to users. The Group's marketplace platforms use software developed by Airtasker and software licensed from third parties, and also depend on the performance and reliability of internet, mobile and other infrastructure which is outside of the Group's control. The success of the Group also depends on its ability to identify and deploy the most appropriate new technologies and features on its marketplace platforms (e.g. artificial intelligence). There is a risk that the Group may fail to update, develop or adopt new technologies which may render the Group's marketplaces less competitive. The Group is also exposed to cybersecurity risk that may arise through a cyber attack or data breach relating to its marketplace platforms.

Profitability and requirement for additional capital - The Group is not currently profitable and may take time to achieve profitability. Even if the Group achieves profitability, it may not be able to sustain or increase profitability over time. The Group's ability to continue its current operations and effectively implement its growth strategies may depend on its ability to raise additional capital. Inflationary pressures and increased interest rates, as well as a flight of capital away from unprofitable technology stocks, may limit the Group's ability to access the capital markets in the short term.

Suppliers - The Group is reliant on a number of third-party suppliers, including information technology for cloud storage services, security services, payment processing and other services used to operate, maintain and support the Group's marketplace platform. Any loss of suppliers, changes to supply terms or limitations may have a material adverse impact on the Group's operations, reputation, financial performance and growth prospects.

Tax risks - Tax laws are complex and subject to change periodically. There is a risk that changes to Australian and international tax laws and practice may impact the Group's operations and may have an adverse impact on shareholder returns.

International expansion – The Group is expanding into new international markets, in particular the UK and the US. There is a risk that the Group is less familiar with the macro-economic conditions, political, legal and regulatory environment, competitive landscape and cultural norms in these markets.

Use of the Group's marketplaces - The Group is not reliant on any one customer or tasker or a concentration of a few customers or taskers. The success of the Group's business and its ability to grow relies on its ability to attract new customers and taskers and retain existing ones. There is a risk that customers and taskers may, after connecting through the Group's marketplaces, engage off-platform and deal directly with one another to avoid paying fees.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Cass O'Connor	Tim Fung
Chairperson	Managing Director

30 August 2023

Deloitte.

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The Board of Directors
Airtasker Limited
Level 6, 24 Campbell Street
Sydney NSW 2000

30 August 2023

Dear Board Members

Auditor's Independence Declaration to Airtasker Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Airtasker Limited.

As lead audit partner for the audit of the financial report of Airtasker Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants

Airtasker Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $'000	2022 $'000
Revenue	5	44,171	31,469
Other income	6	127	648
Interest revenue calculated using the effective interest method		177	19
(Loss)/gain on derivative financial instruments at fair value through profit or loss		(21)	33
Expenses			
Employee benefits expense	7	(30,274)	(24,953)
Sales and marketing expense	7	(8,634)	(12,288)
Technology expense		(5,821)	(3,561)
General and administration expense		(6,945)	(7,720)
Depreciation and amortisation expense	7	(4,827)	(3,525)
Impairment of assets	7	(612)	(706)
Finance costs	7	(259)	41
Loss before income tax benefit		(12,918)	(20,543)
Income tax benefit	8	-	152
Loss after income tax benefit for the year		(12,918)	(20,391)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation, net of tax		(248)	224
Other comprehensive income for the year, net of tax		(248)	224
Total comprehensive income for the year		(13,166)	(20,167)
Loss for the year is attributable to:			
Non-controlling interest		(16)	-
Owners of Airtasker Limited		(12,902)	(20,391)
		(12,918)	(20,391)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(16)	-
Owners of Airtasker Limited		(13,150)	(20,167)
		(13,166)	(20,167)
		Cents	**Cents**
Basic earnings per share	32	(2.88)	(4.88)
Diluted earnings per share	32	(2.88)	(4.88)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2023 $'000	Consolidated 2022 $'000
Assets			
Current assets			
Cash and cash equivalents	9	16,052	23,722
Trade and other receivables		316	233
Financial assets	10	1,033	4,513
Forward foreign exchange contracts		15	36
Other assets	11	8,720	1,677
Total current assets		26,136	30,181
Non-current assets			
Property, plant and equipment		292	481
Right-of-use assets	12	2,415	923
Intangibles	13	22,126	23,058
Other assets	11	-	197
Total non-current assets		24,833	24,659
Total assets		50,969	54,840
Liabilities			
Current liabilities			
Trade and other payables	14	3,859	7,294
Contract liabilities	15	1,653	1,596
Lease liabilities	16	987	580
Provisions	17	224	909
Employee benefits		1,258	1,643
Unclaimed customer credits	20	4,607	4,680
Other liabilities		39	-
Total current liabilities		12,627	16,702
Non-current liabilities			
Lease liabilities	16	2,659	1,017
Financial instruments	18	6,444	-
Employee benefits		134	154
Total non-current liabilities		9,237	1,171
Total liabilities		21,864	17,873
Net assets		29,105	36,967
Equity			
Issued capital	21	137,448	133,768
Reserves	22	19,344	18,186
Accumulated losses		(127,889)	(114,987)
Equity attributable to the owners of Airtasker Limited		28,903	36,967
Non-controlling interests	23	202	-
Total equity		29,105	36,967

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Airtasker Limited
Consolidated statement of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2021	123,062	15,709	(94,596)	-	44,175
Loss after income tax benefit for the year	-	-	(20,391)	-	(20,391)
Other comprehensive income for the year, net of tax	-	224	-	-	224
Total comprehensive income for the year	-	224	(20,391)	-	(20,167)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 21)	10,706	-	-	-	10,706
Share-based payments (note 22)	-	2,214	-	-	2,214
Foreign exchange movement on share-based payments reserve (note 22)	-	39	-	-	39
Balance at 30 June 2022	133,768	18,186	(114,987)	-	36,967

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2022	133,768	18,186	(114,987)	-	36,967
Loss after income tax benefit for the year	-	-	(12,902)	(16)	(12,918)
Other comprehensive income for the year, net of tax	-	(248)	-	-	(248)
Total comprehensive income for the year	-	(248)	(12,902)	(16)	(13,166)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 21)	3,680	-	-	-	3,680
Share-based payments expense (note 22)	-	1,526	-	-	1,526
Cash settlement for share-based payments (note 22)	-	(139)	-	-	(139)
Foreign exchange movement on share-based payments reserve (note 22)	-	19	-	-	19
Contribution of equity from non-controlling interest (note 23)	-	-	-	6,662	6,662
Recognition of share purchase liability (note 23)	-	-	-	(6,444)	(6,444)
Balance at 30 June 2023	137,448	19,344	(127,889)	202	29,105

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2023 $'000	Consolidated 2022 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		48,445	35,238
Payments to suppliers and employees (inclusive of GST)		(59,272)	(48,545)
		(10,827)	(13,307)
Interest received		166	26
Interest paid		(182)	(2)
Net cash used in operating activities	31	(10,843)	(13,283)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		(23)	(2,383)
Payments for property, plant and equipment		(68)	(482)
Payments for intangibles		(3,393)	(4,620)
Payments for term deposits and bonds		(1,033)	-
Proceeds receipted from maturing deposits and bonds		4,513	7,489
Proceeds from sublease		107	-
Proceeds from disposal of property, plant and equipment		27	7
Proceeds from release of security deposits		197	-
Net cash from investing activities		327	11
Cash flows from financing activities			
Proceeds from issue of shares		3,550	3,765
Proceeds from exercise of share options		250	-
Share issue transaction costs		(153)	(117)
Payment of lease liabilities	31	(841)	(508)
Net cash from financing activities		2,806	3,140
Net decrease in cash and cash equivalents		(7,710)	(10,132)
Cash and cash equivalents at the beginning of the financial year		23,722	33,854
Effects of exchange rate changes on cash and cash equivalents		40	-
Cash and cash equivalents at the end of the financial year	9	16,052	23,722

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Airtasker Limited as a group consisting of Airtasker Limited (the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (collectively referred to as the 'Group'). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Airtasker Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 6 24-28 Campbell Street Haymarket NSW 2000	Level 6 24-28 Campbell Street Haymarket NSW 2000

A description of the nature of the Group's operations and its principal activities is included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AAS') and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets and liabilities at fair value through profit or loss and for derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 34.

Going concern
The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Note 2. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2023 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed.

Note 2. Significant accounting policies (continued)

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as unclaimed customer credits and contract liabilities.

Fee revenue
Fee revenue is made up of booking and service fees on the Airtasker platform. The booking fee is calculated as a fixed percentage of the task value (subject to a floor and a cap) of the contract formed between the Group, customer and tasker for use of the marketplace and payable by the customer. The service fee is charged to the tasker and is a variable percentage of the task value of the contract formed between the Group, customer and tasker for use of the marketplace calculated at task completion based on the tasker's earnings in the 30 days prior to task completion.

The Group has one integrated performance obligation in relation to fee revenue which is considered satisfied when its overall end-to-end service offering to the customer is delivered upon task completion. The service offering available to the Group's customers is:
- the initial connection between the customer and tasker at task assignment when a contract is formed between the Group, customer and tasker for use of the marketplace and the transaction price is determined;
- the facilitation of secure payments between the customer and tasker by the escrow of the transaction price upon task assignment and the disbursement to the tasker on task completion; and
- the provision of other services on the marketplace such as customer support, insurance and mechanisms for messaging and feedback.

From the customer's perspective, the Group's promised services are only transferred to the customer on task completion and it is at this point in time in which the performance obligation is satisfied and the booking and service fee revenues are recognised.

Unclaimed customer credit breakage revenue
A customer credit is created and added to a customer's account on the Airtasker platform under two circumstances:
(i) when an assigned task is neither marked completed nor cancelled for a period of 90 days ('incomplete task credit'); and
(ii) when an assigned task is cancelled ('cancellation credit').

The Group's terms and conditions enable the expiry of customer credits that remain unclaimed within a specified period. The Group recognises breakage revenue from unclaimed customer credits in each case as follows:

Unclaimed incomplete task credits: The Group is entitled to the balance of all incomplete task credits upon their expiry, which occurs 12 months after their initial grant. The expected revenue to be recognised is equivalent to the forecast unclaimed incomplete task credit balances after 12 months and is recognised over time, over the 12 months prior to expiry, in proportion to the historical average pattern of incomplete task credits redemption by customers. The Group will not recognise any estimated revenue amount until it is highly probable that a significant revenue reversal will not occur. If the Group cannot determine that it is highly probable that the credit will remain unclaimed, it will not recognise any amounts as revenue until the likelihood of customer redemptions becomes remote.

Note 2. Significant accounting policies (continued)

Unclaimed cancellation credits: The Group is entitled to the balance of all cancellation credits upon their expiry, which occurs 18 months after their initial grant. The expected revenue to be recognised is equivalent to the forecast unclaimed cancellation credit balances after 18 months and is recognised over time, over the 18 months prior to expiry, in proportion to the historical average pattern of cancellation credits redemption by customers. The Group will not recognise any estimated revenue amount until it is highly probable that a significant revenue reversal will not occur. If the Group cannot determine that it is highly probable that the credit will remain unclaimed, it will not recognise any amounts as revenue until the likelihood of customer redemptions becomes remote.

Listings subscription revenue
Listings subscription revenue is generated from providing featured listings for verified business customers on the Oneflare and Word of Mouth platforms.

The Group has one performance obligation in relation to listings subscription revenue which is to provide a featured listing for the verified business customers on the platforms over the life of the listings subscription contract term. The transaction price is calculated based on the contract formed between the Group and the verified business customer upon the purchase of the listings subscription contract, adjusted for the variable amounts such as discounts and refunds, and allocated wholly to the contract purchased. Revenue is recognised over the life of the listings subscription contract as verified business customers simultaneously receive and consume the benefits of featured listing on the Group's platform.

Quoting credits revenue
Quoting credits revenue is generated from pay-as-you-go and prepaid packs of quoting credits purchased on the Oneflare platform by verified business customers. Quoting credits are used on the Oneflare platform by verified business customers and otherwise expire monthly.

The Group has one performance obligation in relation to quoting credits revenue which is considered satisfied when quoting credits are used by verified business customers to contact and submit a quote on a job request on Oneflare's platform. The transaction price allocated to each quoting credit is calculated based on the contract formed between the Group and its verified business customer upon the purchase of the quoting credits and revenue is recognised at a point in time when quoting credits are used by verified business customers, whereby control over the services passes to the verified business customers.

Unused quoting credits breakage revenue
The Group's terms and conditions enable the expiry of quoting credits that remain unused within a specified period as dictated by the terms and conditions. The Group recognises breakage revenue from unused quoting credits. The Group expects to be entitled to breakage revenue from the unused quoting credits expiring from verified business customer accounts when the likelihood of verified business customer redemptions becomes remote.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Cost of sales
Cost of sales consists of the direct costs incurred in the provision of services to customers. The Group incurs payment processing and insurance costs as part of satisfying its performance obligations to customers.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Note 2. Significant accounting policies (continued)

Derivatives are classified as current or non-current depending on the expected period of realisation.

Share purchase liability
Where the sale of a minority interest in a subsidiary includes an obligation for the Company to repurchase that minority interest, a financial liability is initially recognised and measured at the present value of the redemption amount expected to be payable at a future date under the terms of the agreement. Subsequent changes in the measurement of the financial liability are recognised directly to profit or loss, except for the unwinding of the effect of discounting on the liability, which is recognised as a finance cost.

Hedges of a net investment
Hedges of a net investment in a foreign operation include monetary items that are considered part of the net investment. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity whilst gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to profit or loss.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Computer equipment	2-4 years
Furniture and fixtures	4-10 years
Leasehold improvements	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date or date of acquisition of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

When a right-of-use asset is recognised as part of a business combination, it is recorded as if the acquired lease were a new lease at the acquisition date, with the value recorded being the present value of remaining lease payments.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

When the Group enters into sub-lease arrangements where substantially all the risks and rewards incidental to ownership are transferred to a lessee, the right-of-use asset relating to the head lease is derecognised equal to the value of that portion of the leased space.

Note 2. Significant accounting policies (continued)

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Patents and trademarks
Costs associated with patents and trademarks are capitalised as an asset and are not subsequently amortised. Instead, patents and trademarks are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses. Management considers that the useful life of patents and trademarks is indefinite because there is no foreseeable limit to the cashflows these assets can generate.

Customer lists
Customer lists acquired as part of a business combination are amortised using the unit of production method based on the expected customer attrition rate as this reflects the consumption of the expected future economic benefits embodied in the acquired customer lists.

Platform development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of one to five years. Once a project is available for use, amortisation commences and no further capitalised costs are allocated to the project. The capitalised platform development costs are shown net of research and development tax offset credits.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of (a) an asset's fair value less costs of disposal and (b) value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within their repayment terms of 14-60 days.

Note 2. Significant accounting policies (continued)

Unclaimed customer credits

Unclaimed customer credits represent both incomplete task credits and cancellation credits for the Airtasker platform. Refer to 'Revenue recognition - Unclaimed customer credit breakage revenue' policy above.

Contract liabilities

Contract liabilities on the Airtasker platform are recognised upon task assignment when a customer pays consideration, and represent the Group's performance obligation in relation to booking and service fee revenue. From the customer's perspective, the Group's promised distinct services are only transferred to the customer on task completion and it is only at this point in time that the performance obligation is satisfied and booking and service fee revenue is recognised upon the unwinding of the contract liabilities.

Contract liabilities on the Oneflare and Word of Mouth platforms are recognised upon the receipt of advance payments from verified business customers and represent the Group’s performance obligation in relation to listings subscription revenue or quoting credits revenue. In relation to listings subscription revenue, from the verified business customer’s perspective, the Group’s promised distinct services are transferred over time to verified business customers as they simultaneously receive and consume the benefits of featured listings on the platforms. In relation to quoting credits revenue, from the verified business customer’s perspective, the Group’s promised distinct services are only transferred to the verified business customer upon quoting credits usage by verified business customers.

Lease liabilities

A lease liability is recognised at the commencement date or date of acquisition of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

When a lease is recognised as part of a business combination, it is recorded as if it were a new lease at the acquisition date, with the value recorded being the present value of remaining lease payments.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Group as a lessor

Leases in which the Group transfers substantially all the risks and rewards incidental to ownership of an asset are classified as financing leases. Rental income is accounted for through recognition of a lease receivable, valued at the present value of all future lease payments. As rental payments are received, the lease receivable is derecognised, with a portion of finance income being recognised.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits
Liabilities for wages, salaries and short-term incentives, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, options over shares or rights over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. The fair value for grants with market conditions is independently determined using the Monte Carlo Simulation methodology. The key inputs include the price at grant date, exercise price, the term of the option or right, the volatility of the underlying share price, the expected dividend yield and the risk free rate for the term of the option or right. The fair value for grants with non-market conditions is determined using the price at grant date.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest based on the expectation of achievement of non-market hurdles and the satisfied portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the fair value of any pre-existing investment in the acquiree is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Airtasker Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 2. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Comparatives
Comparatives have been realigned to the current year presentation. The net loss for the year and net assets have not been impacted by the realignment.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group has not yet fully assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements, estimates and assumptions in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events that management believes to be reasonable under the circumstances. Where appropriate management will rely on the opinion of independent experts. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Breakage revenue
Breakage revenue from unclaimed incomplete task credits and cancellation credits on the Airtasker platform is estimated based on the forecast breakage rate of each monthly cohort and the credit redemption patterns of customers. The forecast breakage rate has been calculated using historical data collected from the Airtasker platform. The determination of the forecast breakage rate, at the point-in-time in which unclaimed credits expire from customer accounts and the pattern of rights in which credits are exercised, requires a significant judgement, estimation and assumption. A number of factors have been considered when determining the forecast breakage rate and credit redemption patterns, including the historical average breakage rate and credit redemption patterns, cancellation rates, seasonality impact, activity trends and expected increase in repeat customer rates.

Platform development costs
Platform development costs are capitalised when the Group can reliably determine the recognition criteria are met in order to capitalise those costs. To determine the costs management rely on automated timesheet data from project tracking software, supplemented with manual timesheets for employees without access to the project tracking software. The portion of eligible employee time allocated to specific capitalisable projects will then be costed, based on the eligible employee's salary, and capitalised. Capitalisation ceases at the point in time when testing is complete on capitalisable projects and the project is ready for implementation. Once a project is implemented and is in use, amortisation commences and no further costs are allocated to the project and capitalised. Management exercise judgment in determining which projects are capitalisable and in determining the useful lives of these projects for the purposes of amortisation.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on a value in use model as described in note 13. Management exercise judgement in determining the cash generating units and rely on estimations and assumptions in allocating goodwill and other indefinite life intangible assets to the cash generating units and determining their value in use.

Impairment of right of use assets
The Group performs an impairment assessment of right-of-use assets where indicators of impairment are present. The right-of-use asset's value in use is calculated based on a combination of expected use of the asset and the potential to sub-lease or license the asset. When this value is less than the right-of-use asset's carrying amount an impairment loss is recorded. Management exercise judgement in determining the value in use, relying on a weighted average of possible scenarios, including placing more weight on more likely outcomes.

Share purchase liability
The fair value of the share purchase liability has been determined as the present value of the future liability based on the purchase terms in the underlying agreement. Management rely on estimates and assumptions in determining the forecast revenue of the Group and the forecast revenue of the UK business, taking account of historical results, activity trends and performance. Management exercise judgment in determining the appropriate Group discount rate and Group market capitalisation multiple, including relying on the services of an independent expert.

Share-based payment transactions
Participating in share options and rights plans meets the criteria of equity-settled share-based payment transactions. The Group has recognised the fair value of the services received, and the corresponding increase in equity based on the fair value of the equity transaction at the date at which those equity instruments are granted. Management exercise judgement in estimating the fair value of equity instruments granted, including relying on independent experts where both market-based and service-based performance conditions apply and share prices at grant date and employee tenure where only service-based performance conditions apply.

Income tax and recognition of deferred tax assets
The Group is subject to income taxes in the jurisdictions in which it operates. Management exercise judgement and estimation in recognising and measuring current and deferred tax amounts. For any uncertain tax treatment adopted relating to transactions or events, management recognises and measures tax related amounts having regard to both the probability that such amounts may be challenged by a tax authority and the expected resolution of such uncertainties. In such circumstances, tax balances are determined based on either most-likely amount or expected-value probability based outcomes. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Future taxable profit is determined based on a consideration of historical financial performance and forecast financial performance with a higher weighting placed on historical financial performance in assessing the probability of taxable profits. Where it is not probable that future taxable profits will be available to utilise, deferred tax liabilities recognised on taxable temporary differences are offset to the point that there is no deferred tax balance. Tax losses are carried forward indefinitely to offset against future taxable income based on the satisfaction of the similar business test, which is performed at each reporting period. Where final tax outcomes vary from what is estimated, such differences will impact the current and deferred tax provisions recognised in the financial statements. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Note 4. Operating segments

Identification of reportable operating segments
The Group operates within two business segments, being the 'Established Marketplaces Segment' and the 'New Marketplaces Segment'. The operations of both segments relate to online marketplace platforms enabling users to outsource everyday tasks. The segment results are reported to the Board of Directors, who are identified as the CODM.

The Group generates revenue in a number of countries including Australia (where the majority of its revenue was generated in the financial year), the UK and the US. These geographic operations are segmented based on the maturity of the marketplaces.

In Australia, there are two relatively mature marketplaces which form the Established Marketplaces Segment. These are the Airtasker Australia marketplace and the Oneflare Australia marketplace. These markets are between 6 and 12 years old and have established user bases and operations.

International marketplaces form the New Marketplaces Segment. These include Airtasker marketplaces based in the UK and US, which are between 2 and 6 years old, have less established user bases and may experience exponential growth in revenue each year.

Internal management reporting provided on a regular basis and the allocation of resources by the Group 's CODM are based on this segment disaggregation. As there has been a change in the identified reportable segments for the year ended 30 June 2023, corresponding information for the prior year has been disclosed for the first time.

Financial summary of operating segments
The Group's revenue and results by reportable segment for the year ended 30 June 2023:

	Established Marketplaces Segment $'000	New Marketplaces Segment $'000	Expenditure not attributable to a segment $'000	Consolidated $'000
Revenue	43,237	934	-	44,171
Gross profit	41,011	744	-	41,755
EBITDA attributable to segments	24,985	(7,980)		17,005
Global head office operating expenditure			(21,149)	(21,149)
Global innovation investment			(3,865)	(3,865)
Total Group EBITDA				(8,009)
Net interest expense			(82)	(82)
Depreciation and amortisation			(4,827)	(4,827)
Loss before income tax benefit				(12,918)

Note 4. Operating segments (continued)

The Group's revenue and results by reportable segment for the year ended 30 June 2022:

	Established Marketplaces Segment $'000	New Marketplaces Segment $'000	Expenditure not attributable to a segment $'000	Consolidated $'000
Revenue	30,960	509	-	31,469
Gross profit	28,933	345	-	29,278
EBITDA attributable to segments	19,415	(10,544)		8,871
Global head office operating expenditure			(18,148)	(18,148)
Global innovation investment			(7,801)	(7,801)
Total Group EBITDA				(17,078)
Net interest income			60	60
Depreciation and amortisation			(3,525)	(3,525)
Loss before income tax benefit				(20,543)

Basis for allocation
Revenues and expenses that directly relate to a segment are assigned to that segment only, including marketing expenses and employee costs dedicated to a particular segment. Split allocations are required where the benefit of the expense is shared between a combination of the Established Marketplaces Segment, the New Marketplaces Segment and the Global Head Office. Split allocations of expenses is performed on appropriate metrics including:

- Posted tasks, where the expense is directly related to servicing customers who have posted a task;
- Project based work for employees who service multiple segments;
- Actual marketing spend directly related to a particular segment; and
- Website traffic for hosting related expenses.

Global Head Office expenditure also includes expenses which cannot be directly attributable to the Established Marketplaces Segment or the New Marketplaces Segment, including:

- Operating expenditure, being the portion of expenditure relating to engineering, product support and maintenance of the marketplace platforms and back office support functions including, executives, legal, finance and people operations; and
- Innovation investment, being the portion of expenditure relating to the marketplace platforms that is non-capitalisable and associated with the development of new features designed to enhance the customer experience, increase long term GMV and grow long term revenue.

Major customers
During the years ended 30 June 2023 and 30 June 2022 there were no major customers nor major customer groups that represented greater than 10% of the Group's revenue.

Note 5. Revenue

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2023 $'000	Consolidated 2022 $'000
Fee revenue	30,326	25,741
Unclaimed customer credits breakage revenue	4,793	4,686
Quoting credits revenue	7,517	841
Listings subscription revenue	1,535	201
	44,171	31,469

	Consolidated 2023 $'000	Consolidated 2022 $'000
Timing of revenue recognition		
Services transferred at a point in time	37,843	26,582
Services transferred over time	1,535	201
Unclaimed customer credits earned over time	4,793	4,686
	44,171	31,469

	Consolidated 2023 $'000	Consolidated 2022 $'000
Australia	43,237	30,960
International	934	509
	44,171	31,469

Note 6. Other income

	Consolidated 2023 $'000	Consolidated 2022 $'000
Government grants - research and development tax incentive	-	643
Other income	127	5
	127	648

Note 7. Expenses

	Consolidated 2023 $'000	Consolidated 2022 $'000
Loss before income tax includes the following specific expenses:		
Cost of sales	2,415	2,191
Depreciation		
Computer equipment	190	245
Furniture and fixtures	29	6
Leasehold improvements	24	101
Make good asset	6	-
Office facilities - right-of-use assets (note 12)	798	543
Total depreciation	1,047	895
Amortisation		
Platform development (note 13)	3,484	2,483
Customer list (note 13)	296	147
Total amortisation	3,780	2,630
Total depreciation and amortisation	4,827	3,525
Impairment		
Computer equipment	9	-
Furniture and fixtures	12	7
Leasehold improvements	-	3
Office facilities - right-of-use assets (note 12)	600	443
Platform development (note 13)	213	31
Lease receivable	(222)	222
Total impairment	612	706
Finance costs		
Interest and finance charges paid/payable on lease liabilities	177	8
General interest charge	75	17
General interest charge - reversal of prior year over-accruals	-	(66)
Other interest and finance charges	5	-
Unwinding of discount on provisions	2	-
Finance costs expensed	259	(41)
Net foreign exchange gain/(loss)	493	(12)
Short-term and low-value lease payments	12	6
Defined contribution superannuation expense	2,303	1,772
Share-based payments expense	1,526	2,214
Termination benefits expense	1,154	224
Research and development expense	9,417	10,266
Paid and direct marketing expense	5,616	4,516

Note 8. Income tax

	Consolidated 2023 $'000	Consolidated 2022 $'000
Income tax benefit		
Deferred tax - origination and reversal of temporary differences	-	(152)
Aggregate income tax benefit	-	(152)
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets	-	(152)
Numerical reconciliation of income tax benefit to accounting result		
Loss before income tax benefit	(12,918)	(20,543)
Tax at the statutory tax rate of 25%	(3,230)	(5,136)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	382	554
Non-taxable government grant income and other gains	-	(156)
Other non-deductible expenditure	16	230
	(2,832)	(4,508)
Current year temporary differences not recognised	(535)	145
Tax losses for the year not brought to account	3,367	4,211
Income tax benefit	-	(152)

	Consolidated 2023 $'000	Consolidated 2022 $'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	65,302	54,809
Potential tax benefit @ 25%	16,326	13,702

The potential tax benefit for tax losses has not been recognised in the statement of financial position, as it is not probable that there will be sufficient profits against which these tax losses can be utilised. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Income tax (continued)

	Consolidated 2023 $'000	Consolidated 2022 $'000
Net deferred tax asset/(liability)		
Net deferred tax asset/(liability) comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Prepayments	(456)	(380)
Property, plant and equipment	(64)	(112)
Customer contracts	(40)	(115)
Other	(4)	-
Tax losses	564	607
Deferred tax asset	-	-
Movements:		
Opening balance	-	-
Credited to profit or loss	-	152
Additions through business combinations	-	(152)
Closing balance	-	-

Applicable tax rate

The Company has an applicable tax rate of 25% for the 2022-23 income year. The Company qualifies as a base rate entity as it has a turnover of less than $50,000,000 and less than 80% of its assessable income is derived from base rate entity passive income. The Company has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carry forward tax losses, based on the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised.

Note 9. Cash and cash equivalents

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current assets		
Cash at bank	15,342	22,974
Stripe clearing account	710	748
	16,052	23,722

The Group's payment gateway provider is Stripe, whose accounts are underwritten by the various domestic banking partners of each of its legal entities. Included in the Stripe clearing account are funds held on behalf of the Group by the respective Stripe legal entities in 'For Benefit Of' accounts.

Note 10. Financial assets

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current assets		
Term deposits	1,033	4,513

Term deposits were held on average for twelve months during the financial year.

Note 11. Other assets

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current assets		
Prepayments	1,900	1,676
Other assets	6,820	1
	8,720	1,677
Non-current assets		
Rental bond	-	197
	8,720	1,874

Included in other assets are media advertising services equivalent to $6,662,000 provided by Channel 4 in exchange for the issue of equity in Airtasker UK. Refer to note 23 for further information.

Note 12. Right-of-use assets

	Consolidated 2023 $'000	Consolidated 2022 $'000
Non-current assets		
Office facilities	4,250	3,740
Less: Accumulated depreciation	(792)	(2,374)
Less: Impairment	(1,043)	(443)
	2,415	923

In August 2022, the Group relocated its head office to new office facilities resulting in the addition of a right-of-use asset during the year of $2,890,000. During the year the right-of-use asset for office facilities assumed as part of the acquisition of Oneflare in May 2022 was fully impaired by $600,000 as the Group's efforts at subleasing the office facilities during the year were unsuccessful.

The Group leases office facilities under agreements of three to five years with no option to extend.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Office facilities $'000
Balance at 1 July 2021	419
Additions	1,490
Depreciation expense	(543)
Impairment of assets	(443)
Balance at 30 June 2022	923
Additions	2,890
Depreciation expense	(798)
Impairment of assets	(600)
Balance at 30 June 2023	2,415

Note 12. Right-of-use assets (continued)

For other lease related disclosures refer to the following:
- note 7 for details of depreciation on right-of-use assets, interest on lease liabilities and other lease payments;
- note 16 for lease liabilities as at the reporting date;
- note 19 for undiscounted future lease commitments; and
- the consolidated statement of cash flows for repayment of lease liabilities.

Note 13. Intangibles

	Consolidated 2023 $'000	Consolidated 2022 $'000
Non-current assets		
Goodwill - at cost	14,127	13,978
Patents and trademarks - at cost	107	107
Platform development - at cost	15,856	12,942
Less: Accumulated amortisation	(7,884)	(4,398)
Less: Impairment	(244)	(31)
	7,728	8,513
Customer list - at cost	607	607
Less: Accumulated amortisation	(443)	(147)
	164	460
	22,126	23,058

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $'000	Patents and trademarks $'000	Platform development $'000	Customer list $'000	Total $'000
Balance at 1 July 2021	3,482	57	6,014	-	9,553
Additions	-	50	5,003	-	5,053
Additions through business combinations	10,177	-	-	607	10,784
Exchange differences	319	-	10	-	329
Impairment of assets	-	-	(31)	-	(31)
Amortisation expense	-	-	(2,483)	(147)	(2,630)
Balance at 30 June 2022	13,978	107	8,513	460	23,058
Additions	-	-	2,912	-	2,912
Exchange differences	149	-	-	-	149
Impairment of assets	-	-	(213)	-	(213)
Amortisation expense	-	-	(3,484)	(296)	(3,780)
Balance at 30 June 2023	14,127	107	7,728	164	22,126

Note 13. Intangibles (continued)

Allocation of Goodwill
Goodwill from business combinations has been recorded as a result of the acquisition of the Zaarly business on 21 May 2021 and the acquisition of the Oneflare business on 25 May 2022. The goodwill acquired through each acquisition consists predominantly of the market position of the respective business, the expertise of employees and the product features and code which have been or are planned to be integrated with the Airtasker platform.

For the purpose of impairment testing, goodwill has been allocated to cash-generating units ('CGUs'), or groups of CGUs, that are expected to benefit from the synergies of the related business combination. CGUs, or groups of CGUs, to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of a CGU, or group of CGUs, is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset.

For the year ended 30 June 2023, impairment testing has been performed at the new operating segment level. As a result of the segment reorganisation during the year the following changes to the Group's impairment model have occurred:
- Reallocation of assets and cash flows to align with the new operating segments. This allocation is expected to remain consistent in future periods.
- Reallocation of goodwill to align with the new operating segments. This allocation was performed using a relative value approach based on a fair valuation of each CGU using revenue multiples.

	Consolidated	
	2023 $'000	2022 $'000
Combined Platform Marketplace	-	13,978
Established Marketplaces	13,619	-
New Marketplaces	508	-
	14,127	13,978

Impairment testing
The Group has considered its goodwill recoverability through a value in use model, noting headroom to support the carrying value of each group of CGUs. Key assumptions in the value in use calculation include:
- the forecast free cash flows projected over five years, including the approved FY24 budget;
- the market risk premium and risk beta within the weighted average cost of capital ('WACC'); and
- the terminal growth rate.

These assumptions are based on past experience and the Group's forecast operating and financial performance for each CGU, or group of CGUs, taking into account current market and economic conditions, risks, uncertainties and opportunities for improvement for each unit.

Established Marketplaces
The recoverable amount of the Established Marketplaces group of CGUs is determined based on a value in use calculation which relies on cashflow projections over a five-year period, of which the base year is the FY24 budget approved by the directors. The cashflow projection includes forecast revenue growth, which is based on inflation assumptions and other expected marketplace and product developments. It also includes forecast expense growth, which is based on inflation assumptions, expected cost base growth and any legislated changes to employee costs. Adjustments are made for expenses which are not expected to be settled in cash.

The post-tax discount rate of 11.99% is determined based on the risk free rate (using the 10 year Australian government bond rate), an equity risk premium that reflects current market assessments of the time value of money and a risk beta multiplier that reflects the risks specific to the group of CGUs being tested.

Terminal growth rate of 2.67% is determined with consideration of long term inflation rates, inflation targets and publicly available independent analyst data.

It was concluded that the value in use exceeded the carrying amount for this group of CGUs.

Note 13. Intangibles (continued)

New Marketplaces
The recoverable amount of the New Marketplaces group of CGUs is determined based on a value in use calculation which relies on cashflow projections over a five-year period, of which the base year is the FY24 budget approved by the directors. The cashflow projection includes forecast revenue growth, which is based on inflation assumptions and other expected marketplace and product developments. It also includes forecast expense growth, which is based on inflation assumptions and expected cost base growth. Adjustments are made for expenses which are not expected to be settled in cash.

The post-tax discount rate of 12.79% is determined based on the risk free rate (using the 10 year Australian government bond rate), an equity risk premium that reflects current market assessments of the time value of money and a risk beta multiplier that reflects the risks specific to the group of CGU's being tested (and which is higher than the Established Marketplaces group of CGUs).

Terminal growth rate of 2.67% is determined with consideration of long term inflation rates, inflation targets and publicly available independent analyst data.

It was concluded that the value in use exceeded the carrying amount for this group of CGUs.

Sensitivity
The Group has undertaken a sensitivity analysis of the impairment test to variations in the key assumptions relied on in determining the recoverable amount for each group of CGUs to which goodwill is allocated.

Within the Established Marketplaces group of CGUs, a 1% underperformance in revenue across the entire forecast period would result in a 29% decrease in headroom. Additionally, a 100 basis point increase in the post-tax discount rate would result in a 25% decrease in headroom. Management have determined that there are no other reasonably possible variations in the key assumptions on which the recoverable amount is based that would have a material impact on the aggregate recoverable amount and headroom for this group of CGUs.

Within the New Marketplaces group of CGUs, management have determined that there are no reasonably possible variations in the key assumptions on which the recoverable amount is based that would have a material impact on the aggregate recoverable amount and headroom for this group of CGUs.

Note 14. Trade and other payables

	Consolidated	
	2023 $'000	2022 $'000
Current liabilities		
Trade payables	1,549	3,329
Accrued expenses	1,039	2,314
Other payables	1,271	1,651
	3,859	7,294

Refer to note 19 for information on financial instruments.

Note 15. Contract liabilities

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current liabilities		
Contract liabilities	1,653	1,596

Reconciliation
Reconciliation of the values at the beginning and end of the current and previous financial year are set out below:

	2023 $'000	2022 $'000
Opening balance	1,596	641
Payments received in advance	39,435	26,834
Transfer to revenue - services transferred at a point in time (note 5)	(37,843)	(26,582)
Transfer to revenue - services transferred over time (note 5)	(1,535)	(201)
Additions to contract liabilities from the acquisition of Oneflare	-	904
Closing balance	1,653	1,596

Contract liabilities pertain to consideration received by the Group from customers in advance of performance obligations being satisfied and are different to the unclaimed customer credits disclosed in note 20.

Unsatisfied performance obligations
The aggregate transaction price allocated to performance obligations that are unsatisfied at 30 June 2023 was $1,653,000 (30 June 2022: $1,596,000). It is expected that these unsatisfied performance obligations will be recognised as revenue upon task completion and services being rendered in future periods as follows:

	Consolidated 2023 $'000	Consolidated 2022 $'000
Within 12 months	1,653	1,596

Note 16. Lease liabilities

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current liabilities		
Lease liability	987	580
Non-current liabilities		
Lease liability	2,659	1,017
	3,646	1,597

Refer to note 19 for information on financial instruments.

Note 17. Provisions

	Consolidated 2023 $'000	Consolidated 2022 $'000
Current liabilities		
Lease make good	149	147
Government grants	75	762
	224	909

Lease make good
The current provision for lease make good pertains to the Group's contractual obligations under its office facility leases to make good any leasehold improvements.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated	Make good provisions $'000	Government grants $'000
Carrying amount at the start of the year	147	762
Additional provisions recognised	35	-
Amounts used	(35)	-
General interest charge	-	75
Repayment of provision	-	(762)
Unwinding of discount	2	-
Carrying amount at the end of the year	149	75

Refer to note 19 for information on financial instruments.

Note 18. Financial instruments

	Consolidated 2023 $'000	Consolidated 2022 $'000
Non-current liabilities		
Share purchase liability	6,444	-

Share purchase liability
On 7 June 2023, the Company and 4 Ventures Limited ('4 Ventures') entered into an agreement whereby the Company has a forward obligation to purchase the 20% interest in Airtasker UK held by 4 Ventures on 30 June 2028. The purchase price will be determined by multiplying Airtasker UK's audited revenue for FY28 by the higher of the Group's enterprise value multiple or its market capitalisation multiple on 30 June 2028, determined as a function of the Group's audited FY28 revenue. The liability is expected to be settled by 31 August 2028.

The initial carrying value of the financial liability of $6,444,000 represents the present value of the amount expected to be payable at a future date under the terms of the agreement. Subsequent changes in the measurement of the financial liability will be recognised directly to profit or loss, except for the unwinding of the effect of discounting on the liability, which is recognised as a finance cost. There were no material movements in the carrying value of the financial liability between 7 June 2023 and 30 June 2023.

Refer to note 19 for further information on financial instruments.

Note 19. Financial risk management objectives and policies

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk.

Risk management framework

The Board recognises that effective management of risk is an integral part of good management and vital to the continued growth and success of the Group. The Board have ultimate responsibility for establishment and oversight of the Group 's risk management framework in conjunction with and aligned with the business strategy. The Board have established an Audit and Risk Committee ('Committee'), whose responsibilities include further developing and monitoring the Group's risk management framework. The Committee reports regularly to the Board on these activities.

The Group's risk management processes have been established to identify and assess the risks faced by the Group, set appropriate risk limits and controls, and monitor these risks and adherence to agreed limits. Financial risk management is carried out by senior finance executives ('Finance') based on the risk management framework established by the Board. Finance identifies, evaluates and, where appropriate, hedges financial risks within the Group's operations and reports to the Committee on a quarterly basis.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, equity prices and interest rates will affect the Group's profit or loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Foreign currency risk

The Group transacts in currencies other than its reporting currency of the Australian dollar, most notably the US dollar and pounds sterling. The Group's revenue is primarily denominated in Australian dollars, with a small component of revenue denominated in US dollars and pounds sterling. The Group also has expenses denominated in these currencies (principally the US dollar), as it has a number of software vendors that transact in US dollars only. The Group is exposed to the net impact of movements in exchange rates in foreign currencies in which expenses (net of revenues) is denominated, or in which services are provided, and hence is subject to both realised and unrealised gains and losses on foreign currency movements. It is the policy of the Group to hedge its exposure to foreign currency to manage the risk where appropriate. Presently, the Group enters into participating forward contracts and forward contracts in US dollars, and does not hedge its exposure to pounds sterling as its net exposure to movements in pounds sterling is not considered meaningful.

The Group does not consider its foreign currency risk to be significant.

Price risk

The Group's holding of financial instruments are limited to term deposits and consequently the Group is exposure price risk is limited.

Interest rate risk

The investment return on the Group’s holdings of cash and financial instruments is exposed to interest rate risks. This risk is managed by continuously monitoring forecast cash flows, to enable the Group to invest its financial assets in appropriate maturities and thereby earn an appropriate return on these assets.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Due to its business model, whereby cash is collected by the Group prior to the completion of a task, the Group has limited counterparty risk with its customers. The Group's main credit risk exposure is cash and cash equivalents and term deposits. To minimise this credit risk the Group only holds cash and cash equivalents and term deposits with creditworthy counterparties that are selected based on a credit rating of at least A at inception and periodically monitors the creditworthiness of its counterparties, including their credit ratings.

Note 19. Financial risk management objectives and policies (continued)

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty meeting its financial obligations that are settled in cash. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and, therefore, these totals may differ from their carrying amount in the consolidated statement of financial position.

Consolidated - 2023	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,549	-	-	-	1,549
Other payables	-	1,271	-	-	-	1,271
Interest-bearing - fixed rate						
Lease liability	4.62%	1,130	1,176	1,736	-	4,042
Share purchase liability	4.28%	-	-	-	7,946	7,946
Total non-derivatives		3,950	1,176	1,736	7,946	14,808
Derivatives						
Forward foreign exchange contracts net settled	-	15	-	-	-	15
Total derivatives		15	-	-	-	15

Consolidated - 2022	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	3,329	-	-	-	3,329
Other payables	-	1,651	-	-	-	1,651
Interest-bearing - fixed rate						
Lease liability	3.73%	595	535	561	-	1,691
Total non-derivatives		5,575	535	561	-	6,671

The cashflows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 20. Unclaimed customer credits

	Consolidated 2023 $'000	Consolidated 2022 $'000
Unclaimed customer credits	4,607	4,680

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2023 $'000	2022 $'000
Opening balance	4,680	3,500
Unclaimed customer credits granted	35,700	35,921
Unclaimed customer credits redeemed	(14,269)	(10,720)
Unclaimed customer credits redeemed via discretionary cash refunds	(16,233)	(18,865)
Transfer to unclaimed customer credits breakage revenue	(4,792)	(4,687)
GST on unclaimed customer credits breakage revenue	(479)	(469)
Closing balance	4,607	4,680

Unclaimed customer credits represent amounts that customers have paid and the Group credits to the customers' accounts when an assigned task on the Airtasker platform has been either inactive for a period of 90 days or is cancelled prior to task completion. The Group recognises revenue from unclaimed customer credits when customers redeem credits and/or when the Group expects to be entitled to a breakage amount from unclaimed customer credits. The Group does not immediately recognise the full balance of unclaimed customer credits as revenue, because upon redemption some credits are paid to the tasker who completes the task and some customers may, at the sole discretion of the Group, receive a cash refund under certain circumstances. The revenue arising from unclaimed customer credits is recognised over time at the earlier of:

- customer usage, in conjunction with expected breakage in proportion to the pattern of rights exercised by customers; or
- upon the expiration of the customer credits.

The Group expects any revenue from unclaimed customer credits to be realised within 12 months of the reporting date for incomplete task credits and within 18 months of the reporting date for cancellation credits.

Note 21. Issued capital

	Consolidated 2023 Shares	2022 Shares	2023 $'000	2022 $'000
Ordinary shares – fully paid	450,469,992	440,279,432	137,448	133,768

Note 21. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 July 2021	413,741,361	123,062
Issue of shares on exercise of options	5 July 2021	100,854	51
Issue of shares on exercise of options	12 July 2021	123,237	40
Issue of shares on exercise of options	28 July 2021	64,437	13
Issue of shares on exercise of options	18 August 2021	54,302	17
Issue of shares on exercise of options	8 September 2021	100,583	50
Issue of shares on exercise of options	6 October 2021	597,561	299
Issue of shares on exercise of options	20 October 2021	811,500	154
Issue of shares on exercise of options	1 November 2021	90,460	45
Issue of shares on exercise of options	11 November 2021	300,000	150
Issue of shares on exercise of options	24 November 2021	139,167	70
Issue of shares on exercise of options	13 December 2021	62,813	31
Issue of shares on exercise of options	22 December 2021	22,117	11
Issue of shares on exercise of options	11 February 2022	79,010	40
Issue of shares	11 March 2022	155,041	75
Issue of shares	26 May 2022	17,558,140	7,111
Issue of shares	26 May 2022	6,278,849	2,700
Less: Share issue transaction costs	26 May 2022	-	(151)
Balance	30 June 2022	440,279,432	133,768
Issue of shares	18 August 2022	8,256,035	3,550
Issue of shares on exercise of options	31 August 2022	389,000	118
Issue of shares on exercise of options	1 September 2022	437,000	132
Issue of shares on exercise of rights	21 September 2022	38,918	-
Issue of shares on exercise of rights	18 October 2022	8,727	-
Issue of shares on exercise of rights	8 December 2022	96,828	-
Issue of shares on exercise of rights	13 January 2023	55,853	-
Issue of shares on exercise of rights	31 March 2023	38,151	-
Issue of shares on exercise of rights	24 April 2023	8,999	-
Issue of shares on exercise of rights	1 May 2023	14,286	-
Issue of shares on exercise of rights	25 May 2023	818,156	-
Issue of shares on exercise of rights	2 June 2023	28,607	-
Less: Share issue transaction costs	18 August 2022	-	(120)
Balance	30 June 2023	450,469,992	137,448

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The Group manages capital with the objectives of ensuring its ability to continue as a going concern and to maintain an optimal capital structure to reduce its costs of capital. These objectives are designed to enable the Group to maximise returns to shareholders.

The capital structure of the Group consists of equity of the Group comprising issued capital, reserves (note 22) and accumulated losses. The Group had no borrowings as at 30 June 2023 and 30 June 2022. The Group is not subject to any externally imposed capital requirements. The Group reviews its capital structure on a regular basis, and as part of this review, considers the above objectives and the risks associated with each class of capital.

Note 22. Reserves

	Consolidated 2023 $'000	Consolidated 2022 $'000
Foreign currency reserve	31	279
Share-based payments reserve	19,313	17,907
	19,344	18,186

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve $'000	Share-based payments reserve $'000	Total $'000
Balance at 1 July 2021	55	15,654	15,709
Foreign currency translation	224	-	224
Share-based payments expense	-	2,214	2,214
Foreign exchange movement on share-based payments reserve	-	39	39
Balance at 30 June 2022	279	17,907	18,186
Foreign currency translation	(248)	-	(248)
Share-based payments expense	-	1,526	1,526
Cash settlement for share-based payments	-	(139)	(139)
Foreign exchange movement on share-based payments reserve	-	19	19
Balance at 30 June 2023	31	19,313	19,344

Note 23. Non-controlling interests

	Consolidated 2023 $'000	Consolidated 2022 $'000
Issued capital	6,662	-
Share purchase liability	(6,444)	-
Accumulated losses	(16)	-
	202	-

On 7 June 2023, Airtasker UK and the Company entered into a series of agreements with Channel 4 to issues shares equivalent to 20% of Airtasker UK's issued capital to Channel 4 in exchange for the provision of $6,662,000 (£3,500,000) in media advertising services over financial years 2024 and 2025. The consideration is recognised at fair value based on the services to be received.

The share purchase liability is used to recognise the value of equity subject to an agreement between the Company and 4 Ventures, whereby the Company has a forward obligation to purchase the 20% interest in Airtasker UK held by 4 Ventures on 30 June 2028. Refer to note 18 for further information.

Note 24. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company:

	Consolidated 2023 $	Consolidated 2022 $
Audit or review of the financial statements	362,760	354,998

Note 26. Contingent liabilities

The Group did not have any contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 27. Commitments

The Group did not have any commitments as at 30 June 2023 and 30 June 2022.

Note 28. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and key management personnel of the Group is set out below:

	Consolidated 2023 $	Consolidated 2022 $
Short-term employee benefits	1,250,873	826,869
Post-employment benefits	65,855	49,636
Long-term benefits	2,367	8,465
Termination benefits[1]	150,000	-
Share-based payments	320,968	209,558
	1,790,063	1,094,528

1. Amount excludes superannuation and is associated with the termination of key management personnel during the financial year.

Note 29. Related party transactions

Parent entity
Airtasker Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the Directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2023 $	Consolidated 2022 $
Payment for goods and services:		
Payment for services from key management personnel	517,133	-

During the financial year, the Group entered into an office facilities lease agreement with Tank Stream Labs Pty Ltd, a company in which Timothy Fung is a director and shareholder and engaged secretarial services from an assistant of James Spenceley.

On 7 June 2023, Airtasker UK issued shares equivalent to 20% of its issued capital to Channel 4 in exchange for the provision of media advertising services, resulting in Channel 4 holding a non-controlling interest in the Group. Refer to note 11, note 18, and note 23 for further details regarding the transaction and associated balances.

All transactions were made on normal arms-length commercial terms and conditions and market rates.

Loans to/from related parties
The Group has non-interest bearing loans contracted in the ordinary course of business between the parent entity and its subsidiaries. The loans are used to fund the operations of the subsidiaries and are eliminated on consolidation.

Other than loans within the Group, there were no loans to or from other related parties as at 30 June 2023 and 30 June 2022.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Airtasker (AU) Pty Ltd	Australia	100%	100%
Airtasker UK Limited	United Kingdom	80%	100%
Airtasker USA Inc.	United States of America	100%	100%
Airtasker New Zealand Limited	New Zealand	100%	100%
Airtasker SGP Pte. Ltd.	Singapore	100%	100%

During the financial year Airtasker UK issued shares equivalent to 20% of its issued capital to 4 Ventures. Refer to note 23 for information on non-controlling interests.

Note 31. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2023 $'000	Consolidated 2022 $'000
Loss after income tax benefit for the year	(12,918)	(20,391)
Adjustments for:		
Depreciation and amortisation	4,827	3,525
Impairment	612	706
Share-based payments	1,385	2,214
Movement on financial instruments at fair value through profit or loss	21	(33)
Government grants - research and development tax incentive	-	(715)
Foreign exchange impact on non-cash transactions	(623)	-
Other	(2)	(10)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(134)	(139)
Increase in other operating assets	-	(315)
Increase/(decrease) in trade and other payables	(3,629)	607
Increase/(decrease) in employee benefits	(404)	188
Increase in unclaimed customer credits in excess of unclaimed customer credits breakage revenue	24	1,181
Increase/(decrease) in contract liabilities	(2)	51
Decrease in net deferred tax assets/liabilities	-	(152)
Net cash used in operating activities	(10,843)	(13,283)

Note 31. Cash flow information (continued)

Changes in liabilities arising from financing activities

Consolidated	Lease liabilities $'000	Share purchase liability $'000	Total $'000
Balance at 1 July 2021	422	-	422
Net cash used in financing activities	(508)	-	(508)
Acquisition of leases	1,683	-	1,683
Balance at 30 June 2022	1,597	-	1,597
Net cash used in financing activities	(841)	-	(841)
Acquisition of leases	2,890	-	2,890
Recognition of share purchase liability	-	6,444	6,444
Balance at 30 June 2023	3,646	6,444	10,090

Note 32. Earnings per share

	Consolidated 2023 $'000	2022 $'000
Loss after income tax	(12,918)	(20,391)
Non-controlling interest	16	-
Loss after income tax attributable to the owners of Airtasker Limited	(12,902)	(20,391)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	448,324,001	417,961,583
Weighted average number of ordinary shares used in calculating diluted earnings per share	448,324,001	417,961,583

	Cents	Cents
Basic earnings per share	(2.88)	(4.88)
Diluted earnings per share	(2.88)	(4.88)

As at 30 June 2023, 17,693,750 (30 June 2022: 20,314,835) options and 14,337,601 (30 June 2022: 11,240,967) rights have been excluded from the diluted earnings per share calculations as they are anti-dilutive.

Note 33. Share-based payments

Options

Employee Option Plan ('EOP')
The EOP is a legacy start-up concession employee incentive plan, in which current employees, contractors and directors of the Company may participate.

The options issued under the EOP have exercise prices which must be paid by participants to exercise the options. The options are subject to time-based vesting conditions that are set out in the respective option offer letters with vesting predominantly in four tranches of 25% each over four years.

Note 33. Share-based payments (continued)

The options expire five years after grant date and do not carry dividend or voting rights prior to vesting. The options may be settled in ordinary shares only and the ordinary shares allocated on exercise carry the same dividend and voting rights as other ordinary shares. The Group has not issued options since 11 January 2021 and does not intend to issue any further options under this plan.

Set out below are summaries of options granted under the EOP:

	Number of options 2023	Weighted average exercise price 2023	Number of options 2022	Weighted average exercise price 2022
Outstanding at the beginning of the financial year	20,314,835	$0.569	27,856,749	$0.562
Exercised	(826,000)	$0.303	(2,701,082)	$0.387
Forfeited	(1,795,085)	$0.541	(4,840,832)	$0.625
Outstanding at the end of the financial year	17,693,750	$0.584	20,314,835	$0.569
Exercisable (vested and unexercised) at the end of the financial year	17,182,818	$0.586	16,624,991	$0.573

The weighted average share price at grant date was $0.499 (30 June 2022: $0.490).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.79 years (30 June 2022: 2.67 years).

Rights

Rights Plan ('RP')
The RP is one of the Company's incentive plans, in which current employees, contractors and executive directors of the Company may participate. Non-executive directors are not eligible to participate in this plan.

Rights, when exercised, may be settled in cash or ordinary shares, as determined by the Board at its discretion. Unless otherwise determined by the Board, the rights have nil issue and exercise prices. Rights may be subject to:
- performance-based vesting conditions (which may also include service-based vesting conditions);
- service-based vesting conditions; or
- no vesting conditions.

Performance-based vesting conditions are measured over a period of one to three financial years unless otherwise determined by the Board. Performance-based vesting conditions may relate to the performance of the Company or the participant and may be subject to the achievement of minimum hurdles. For the year ended 30 June 2023, the performance-based vesting conditions were market based.

Rights with market conditions were issued to senior executives and include the following conditions:
- the achievement of various share price targets at the end of each financial year and subject to requiring participants to remain employed with the Group during the vesting period; and
- the achievement of index conditions relating to the Company share price compound annual growth rate during the vesting period and subject to requiring participants to remain employed with the Group during the vesting period.

Service-based (i.e. time-based) vesting conditions are measured over a period of a number of financial years as determined by the Board. The Board has the discretion to determine that any service-based vesting conditions have been fulfilled whether or not a participant remains employed by the Group.

Rights do not carry dividend or voting rights prior to vesting. Ordinary shares allocated on exercise carry the same dividend and voting rights as other ordinary shares.

Note 33. Share-based payments (continued)

NED Equity Plan ('NEP')
The NEP is one of the Company's incentive plans in which only current non-executive directors may participate.

During the financial year ended 30 June 2023 the rights issued under the NEP were in lieu of certain Directors' fees.

During the financial year ended 30 June 2022, there were no rights issued under the NEP.

Rights, when exercised, are settled as ordinary shares. Unless otherwise determined by the Board, the rights have nil issue and exercise prices. No vesting conditions apply to rights issued under this plan and as such the rights vest immediately. Rights may not be exercised within 90 days of the grant date. However, a specified disposal restriction applies such that rights may never be disposed of while the NED holds office or employment with the Company, or the earlier elapsing of 15 years from the grant date. Rights do not carry dividend or voting rights prior to vesting. Ordinary shares allocated on exercise carry the same dividend and voting rights as other ordinary shares.

Set out below are summaries of rights granted under the RP and the NEP:

	Number of rights 2023	Weighted average exercise price 2023	Number of rights 2022	Weighted average exercise price 2022
Outstanding at the beginning of the financial year	11,240,967	$0.270	6,935,346	$0.375
Granted	7,525,689	$0.000	4,883,556	$0.000
Exercised	(1,108,525)	$0.000	-	$0.000
Forfeited	(3,320,530)	$0.000	(577,935)	$0.000
Outstanding at the end of the financial year	14,337,601	$0.212	11,240,967	$0.270
Exercisable (vested and unexercised) at the end of the financial year	7,272,720	$0.418	6,849,696	$0.440

The weighted average remaining contractual life of rights outstanding at the end of the financial year was 10.56 years (30 June 2022: 6.55 years).

For performance-based rights granted during the financial year with market conditions, the valuation was performed using the Monte Carlo Simulation methodology. The inputs used to determine the fair value at the grant date are as follows:

Grant date	Vesting date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
25 November 2022	30 June 2023	$0.350	$0.000	70%	-	3.10%	$0.320
25 November 2022	30 June 2024	$0.350	$0.000	70%	-	3.10%	$0.294
25 November 2022	30 June 2025	$0.350	$0.000	70%	-	3.20%	$0.256
23 November 2022	30 June 2025	$0.380	$0.000	70%	-	3.20%	$0.300
29 November 2022	30 June 2025	$0.340	$0.000	70%	-	3.20%	$0.244
15 December 2022	30 June 2023	$0.330	$0.000	70%	-	3.10%	$0.297
15 December 2022	30 June 2024	$0.330	$0.000	70%	-	3.10%	$0.272
15 December 2022	30 June 2025	$0.330	$0.000	70%	-	3.20%	$0.234
10 January 2023	9 January 2024	$0.370	$0.000	70%	-	3.10%	$0.359
10 January 2023	9 January 2025	$0.370	$0.000	70%	-	3.10%	$0.348
10 January 2023	9 January 2026	$0.370	$0.000	70%	-	3.20%	$0.337

Note 33. Share-based payments (continued)

The service-based rights granted during the financial year were issued with no exercise price. Given that these rights have no dividend yield and no exercise price, it is standard practice to determine the fair value at the grant date using the underlying share price at grant date. The underlying share price is defined as being the closing share price at grant date. The inputs used to determine the fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date
7 July 2022	7 July 2037	$0.28
11 August 2022	11 August 2037	$0.48
12 August 2022	12 August 2037	$0.49
13 August 2022	13 August 2037	$0.48
19 August 2022	19 August 2037	$0.43
22 August 2022	22 August 2037	$0.42
23 August 2022	23 August 2037	$0.41
24 August 2022	24 August 2037	$0.41
6 September 2022	6 September 2037	$0.42
15 September 2022	15 September 2037	$0.41
3 October 2022	3 October 2037	$0.31
4 October 2022	4 October 2037	$0.32
19 October 2022	19 October 2037	$0.35
24 January 2023	24 January 2038	$0.37
26 January 2023	26 January 2038	$0.36
29 January 2023	29 January 2038	$0.36
30 January 2023	30 January 2038	$0.36
31 January 2023	31 January 2038	$0.35
1 February 2023	1 February 2038	$0.35
2 February 2023	2 February 2038	$0.35
3 February 2023	3 February 2038	$0.35
7 February 2023	7 February 2038	$0.34
8 February 2023	8 February 2038	$0.33
23 April 2023	23 April 2038	$0.21
26 April 2023	26 April 2038	$0.21
27 April 2023	27 April 2038	$0.22
30 April 2023	30 April 2038	$0.21
2 May 2023	2 May 2038	$0.21
3 May 2023	3 May 2038	$0.20

Refer to note 7 for the share-based payment expense during the financial year.

Note 34. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023 $'000	2022 $'000
Loss after income tax	(10,601)	(11,035)
Total comprehensive income	(10,601)	(11,035)

Note 34. Parent entity information (continued)

	Parent 2023 $'000	Parent 2022 $'000
Total current assets	8,641	29,279
Total non-current assets	52,764	37,828
Total current liabilities	(10,646)	(13,166)
Total non-current liabilities	(8,222)	(197)
Net assets	42,537	53,744
Issued capital	137,448	133,768
Reserves	12,363	17,348
Accumulated losses	(107,274)	(97,372)
Total equity	42,537	53,744

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity has not provided guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities
The parent entity has no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity has no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 35. Events after the reporting period

On 27 April 2023, the Group announced a plan to exit non-core businesses acquired as part of Oneflare's portfolio of businesses, including Word of Mouth and Urban You. The Word of Mouth business was sold subsequent to the end of the financial year and the sale of the Urban You business is under negotiation with the disposal expected to be completed in the first half of FY24.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Cass O'Connor Chairperson	Tim Fung Managing Director

30 August 2023

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Independent Auditor's Report to the Members of Airtasker Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Airtasker Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Share purchase liability
 	
As disclosed in note 18, on 7 June 2023, Airtasker UK Limited, a wholly owned subsidiary of Airtasker Limited, issued shares equivalent to 20% of its issued capital to 4 Ventures Limited (Channel 4) in exchange for £3.5m (A$6.7m) of media advertising services to be received over the financial years 2024 and 2025.
 	
As part of the transaction, the Group has a financial obligation over the 20% non- controlling interest in Airtasker UK to Channel 4 that requires Airtasker Limited to purchase the 20% interest held by Channel 4 on 31 August 2028.
 	
In accordance with Australian Accounting Standards as the financial liability is an obligation to purchase own equity it is recognised at the present value of the redemption amount.
 	
As disclosed in Note 2, there is significant judgement involved in determining the redemption value of the share purchase liability at initial recognition and subsequently at 30 June 2023 as it is based on the higher of the Group's enterprise value multiple or its market capitalisation multiple on 30 June 2028 determined as a function of the Group's audited FY28 revenue.
 	
The Group has classified the financial liability as a non- current liability as it is payable on 31 August 2028.
	In conjunction with our Valuation specialists, our audit procedures included, but were not limited to, the following:
	
	• obtaining an understanding of the transaction and the Group's principles for determining the recognition of the financial liability in accordance with the criteria in the relevant accounting standards;
	
	• reviewing the terms and conditions in the Share Purchase Agreement and management's accounting position paper;
	
	• assessing the design and implementation of the key manual controls over the recognition and measurement of the share purchase liability;
	
	• engaging our Valuation specialists in:
	
	    o Assessing the methodology used by management in deriving the present value of the gross redemption amount of the share purchase liability;
	
	    o Challenging the assumptions used as inputs to the share purchase liability valuation;
	
	    o Evaluating the appropriateness of the discount rate applied to the share purchase liability; and
	
	• assessing the appropriateness of the disclosures included in the financial statements.

IT systems The IT systems across the Group are complex and there are varying levels of integration. These systems are vital to the ongoing operations of the business and to the integrity of the financial reporting process and as a result the assessment of IT systems forms a key focus of our external audit.	In conjunction with our Information Technology specialists, our procedures included, but were not limited to the following: • obtaining an understanding of the IT environment and the identification of key processes and controls; • performing inquiries with management on the status of the deficiencies identified in prior years; • performing an assessment of the General IT Controls (GITCs) over key design and implementation components of the IT environment in which tasks are reported and accounted for; and • responding to the deficiencies identified by designing and performing additional procedures which included the identification and testing of compensating controls and varying the nature, timing and the extent of our substantive audit procedures.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 28 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Airtasker Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants

30 August 2023